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NATO's Prague Capabilities Commitment: origins and prospects

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MONTEREY, CALIFORNIA

THESIS

**NATO'S PRAGUE CAPABILITIES COMMITMENT:
ORIGINS AND PROSPECTS**

by

Joseph P. Kugel

December 2003

Thesis Advisor: David S. Yost
Second Reader: Hans-Eberhard Peters

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REPORT DOCUMENTATION PAGE		*Form Approved OMB No. 0704-0188*
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington DC 20503.		
1. AGENCY USE ONLY *(Leave blank)*	**2. REPORT DATE** December 2003	**3. REPORT TYPE AND DATES COVERED** Master's Thesis
4. TITLE AND SUBTITLE: NATO's Prague Capabilities Commitment: Origins and Prospects		**5. FUNDING NUMBERS**
6. AUTHOR(S) Joseph P. Kugel		

7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)
  Naval Postgraduate School
  Monterey, CA 93943-5000
		8. PERFORMING ORGANIZATION REPORT NUMBER

9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A		**10. SPONSORING / MONITORING AGENCY REPORT NUMBER**
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the US Government.		
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release; distribution is unlimited		**12b. DISTRIBUTION CODE**
13. ABSTRACT		

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14. SUBJECT TERMS NATO, Prague Capabilities Commitment			**15. NUMBER OF PAGES** 105
			16. PRICE CODE
17. SECURITY CLASSIFICATION OF REPORT Unclassified	**18. SECURITY CLASSIFICATION OF THIS PAGE** Unclassified	**19. SECURITY CLASSIFICATION OF ABSTRACT** Unclassified	**20. LIMITATION OF ABSTRACT** UL

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**NATO'S PRAGUE CAPABILITIES COMMITMENT:
ORIGINS AND PROSPECTS**

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Submitted in partial fulfillment of the
requirements for the degree of

MASTER OF ARTS IN NATIONAL SECURITY AFFAIRS

from the

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ABSTRACT

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ACKNOWLEDGEMENTS

I am in deep gratitude to several individuals. First, I would like to recognize two of the most influential people on my professional development as a Marine Officer, and my role models: D. Lee Buland and Guy M. Close. Snake and Guyser, your support, mentoring, leadership and friendship over the years will always be remembered, and cherished. In construction of this thesis, I wish to thank Colonel Hans-Eberhard Peters, German Air Force, whose seminar on European security institutions, along with his assistance on NATO's European workings, proved instrumental. Finally, heartfelt and resounding appreciation goes to my thesis advisor, Dr. David S. Yost, who has been and continues to be a leading expert in NATO, its continuing transformation, and all of its activities. Professor Yost, your untiring dedication and contribution in imparting your knowledge to the students of Naval Postgraduate School, will help provide a cadre of civ-mil experts to lead the Alliance in meeting its new threats. I cannot adequately thank you for the time you have taken out of your ever-busy schedule to increase my understanding of NATO's activities within the international system, and in facilitating the crafting of this work. I have been imparted with the requisite knowledge to discern the challenges that the Alliance will face in moving ahead with the 2002 Prague Summit agenda, and the real world threats the Alliance will face in the future. Thank-you.

There are many other individuals who have contributed to this thesis. Though too many to mention here, I will always be indebted to them for their assistance and input. The words of course are my own, and I alone bear responsibility for them.

This thesis is dedicated to Adrienne and Morgan. My pride and joy -- my life.

I.   INTRODUCTION

Until the end of the Cold War in 1989-1991, NATO focused on deterring the threat of Soviet-led aggression or coercion against the Allies.   NATO European militaries were well-provided with what is now regarded as "legacy" equipment, such as tanks, because the European Allies had prepared for possible Soviet aggression, but were generally deficient in power projection capabilities such as strategic lift and aerial refueling.   The military requirements of the bipolar world encouraged this condition, because most NATO European countries expected Warsaw Pact forces to move toward them.

However, since the fall of the Iron Curtain, NATO's relevance has been increasingly challenged in several areas.   One of the core issues concerns the pronounced and growing military capabilities disparity between NATO European members and the United States.   The 1991 Rome Strategic Concept provided a new view from NATO that tensions could lead to "crises inimical to European stability and even to armed conflicts."   The Allies noted that conflicts "could involve outside powers or spill over into NATO countries," and that "Alliance security must also take account of the global context."[1]

Operation Deliberate Force in 1995 and Operation Allied Force in 1999 highlighted significant disparities in military capabilities between the United States and the European NATO Allies, and demonstrated underlying reasons for the Europeans' smaller role in the NATO operations – shortcomings in interoperability and power projection capabilities.   Recognizing difficulties in conducting Alliance operations effectively, NATO embarked at the 1999 Washington Summit on a program to remedy deficiencies in capabilities through the vehicle of the Defense Capabilities Initiative (DCI).   However, by 2001, the

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[1] North Atlantic Council, Strategic Concept, 7 November 1991, par. 9,12.   Available at www.nato.int/docu/basictxt/b911108a.htm.   Accessed 7 November 2003.   It should be noted that the paragraph numbers differ in some official publications.

DCI was widely viewed as a failure, especially following the terrorist attacks against the United States on 11 September 2001 and subsequent combined military action in Afghanistan. It became increasingly clear to the United States and other Allies that radical reforms of NATO were necessary. At the November 2002 Prague Summit the Allies approved a new program designed to address the capabilities gap, the follow-on to the DCI known as the Prague Capabilities Commitment.

The purpose of this thesis is to analyze the origins and prospects of the Prague Capabilities Commitment (PCC). The thesis compares and contrasts the PCC with the DCI, and considers whether institutional reform (to include NATO enlargement issues) and member state actions to implement the PCC are likely to narrow the capabilities gap between the United States and the European Allies.

This topic is important because an increasing capabilities gap may lead to "unhealthy divisions of labour" within NATO.[2] The defense capability disparity could lead to a situation in which the NATO European members are relegated to high risk manpower operations, leaving the United States in charge of the decisive operations with lower risk,[3] such as strategic airlift and C4I missions. Moreover, an increasing gap could contribute to a transatlantic rift, which might ultimately lead to a decoupling of the political-military cohesion between the United States and its European Allies.[4] This could undermine the military power the Alliance could wield in international relations through combined action.

This thesis is based on primary and secondary sources. The primary sources include NATO communiqués relating to the Alliance's new roles and

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[2] David S. Yost, "The NATO Capabilities Gap and the European Union," *Survival*, vol. 42, no.4 (Winter 2000-2001), p.110.

[3] Ibid., pp. 110-11.

[4] Sir Timothy Garden, "Europe and America: A New Strategic Partnership, What can we afford?" www.tgarden.pwp.blueyonder.co.uk/writings/articles/2002/020218riia.html. Accessed 7 November 2003.

missions, and NATO declarations concerning the capabilities gap.   The thesis focuses on the DCI, the PCC, and subsequent NATO and member state actions. The secondary sources include works by political-military analysts in newspapers, professional journals, and other publications.

The thesis is organized as follows. Chapter II examines the DCI goals set at the 1999 Washington Summit.   The chapter begins with the background information necessary to understand the origins and importance of the DCI goals.   NATO Secretary General Lord Robertson stated: "The Defence Capabilities Initiative is designed to ensure that all Allies not only remain interoperable, but that they also improve and update their capabilities to face the new security challenges."[5] With the DCI, NATO declared its intention to improve military capabilities in the following areas: mobility and deployability, sustainability, effective engagement, survivability and interoperable communications.[6]

The next section of Chapter II investigates what was accomplished under the DCI's auspices from its inception until it was superseded by the PCC. By February 2000, a "report card," delivered by Secretary of Defense William S. Cohen to the 36th Munich Conference on Security Policy, highlighted that only a fraction of member states had made progress in procuring capabilities as outlined in the DCI. Secretary Cohen said, "I see countries consistently cutting their budgets at the very same time that there is recognition that you have to improve your capabilities."[7]   NATO European defense spending in constant prices averaged 2.0 to 1.9 percent of GDP in 1998-2002. For NATO North America, defense spending as a percentage of GDP in constant prices dropped

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[5] Robertson quoted in NATO's Defence Capabilities Initiative, NATO Fact sheets, April 2000. www.nato.int/docu/facts/2000/nato-dci.htm. Accessed 4 September 2002.

[6] Ibid.

7 Secretary of Defense William S. Cohen remarks made at the 36th Munich Conference on Security Policy titled, "European Security and Defense Identity." 5 February 2000.   Available at www.defenselink.mil/speeches/2000/s20000205-secdef.html. Accessed 7 November 2003.

from 3.0 to 2.9 from 1998 to 1999, remained at 2.9 percent of GDP in 1999, 2000, and 2001, and then rose to 3.2 in 2002.[8] In 2000-01, with other agendas competing for government funds, only seven out of the eighteen members with military forces (Iceland has no military forces) had fulfilled a target level of 2.0 percent of GDP that they had asked candidates for NATO membership to meet.[9] NATO European members spent only 55% of what the United States spent on defense expenditures in 2000, and the United States spent approximately five times as much money as the European Allies on research and development.[10] As a 2001-2 House of Commons report noted, "it is not just a question of the amount which is spent, but how it is spent." This demonstrates how problems in member state defense procurement compound the difficulty of addressing core areas of deficiency.[11]

By 2001, if there were any questions about the progress of member states in attaining the stated aims of the DCI, those questions were answered following the 11 September terrorist attacks. The Allies expressed a willingness to take action following the first invocation in history of Article 5 of the treaty, and expected to do so. NATO, however, was not asked by the United States to direct the operation, partly due to political reasons: a reluctance to have a "war by consensus" or "war by committee" based on the model of NATO's Kosovo intervention in 1999. Additionally, because America had been attacked, Washington had the right to run the operation. Furthermore, the need to take prompt and effective action was another factor, notably in light of the fact that several NATO Allies were not equipped or interoperable enough as a cohesive military force to take part in such expeditionary and power projection operations,

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[8] NATO, "Financial and Economic Data Relating to NATO Defence," press release M-DPC-2 (2002)139, Tables 1-6, 20 December 2002. www.nato.int/docu/pr/2002/p02-139e.htm. Accessed 23 October 2003.

[9] House of Commons Defence Committee, *The Future of NATO* - Seventh Report of Session 2001-02, HC 914 (London: The Stationery Office Limited, 31 July 2002), par.138. www.parliament.the-stationery-office.co.uk/pa/cm200102/cmselect/cmdfence/914/91409.htm. Accessed 5 August 2003.

[10] Ibid., par. 140.

[11] Ibid.

especially along the timeline Washington desired to commence Operation Enduring Freedom (OEF) on 7 October 2001. Some Allies participated militarily, but not under NATO auspices.   Nonetheless, as Philip Gordon notes, "The Afghanistan campaign revealed large capability gaps between the war-fighting capabilities of the United States and its allies and reinforced the perception in some quarters in Washington that it is easier to conduct operations alone than with allies who have little to offer militarily and who might hamper effective decision making."[12] The realizations that the DCI had been a failure in light of Operation Enduring Freedom and that terrorism will be an acute threat to the Allies in the future led to new calls for capabilities improvements.

Chapter III considers the immediate origins of the PCC from December 2001 to the Prague Summit in November 2002.   The official agenda of the Prague Summit was to transform "NATO with new members, capabilities, and new relationships with our partners."[13]   The Prague Summit Declaration announced a "comprehensive package of measures" in line with the 1999 Washington Summit, noting the need for the Allies to "strengthen our ability to meet the challenges to the security of our forces, populations and territory, from wherever they may come."[14] The PCC differs from the DCI not in identifying capability gaps but in offering the following innovative, if not radical, approach to achieve its ends through the following means:

- Multinational Efforts
- Role Specialisation
- Repriortisation.[15]

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[12] Philip H. Gordon, "NATO and the War on Terrorism, A Changing Alliance," *The Brookings Review,* vol.20 no.3, Summer 2002, pp.36-38. Available at www.brook.edu/press/REVIEW/summer2002/gordon.htm. Accessed 6 November 2003.

[13] North Atlantic Council, Heads of State and Government, "Prague Summit Declaration," (2002)127, Prague, 21 November 2002, par. 1.   www.nato.int/docu/pr/2002/p02-127e.htm.   Accessed 7 November 2003.

[14] Ibid., par. 3.

[15] Ibid., par. 4c.

The next section of Chapter III examines the accomplishments of the PCC during its first year - from November 2002 to November 2003. It is important to determine the extent to which multinational efforts, role specialization and reprioritization have contributed to the goal of improving Allied military capabilities, thereby reducing the transatlantic capabilities gap.

Chapter IV analyzes both the DCI and the PCC to identify achievements and shortfalls and their effects on the capabilities gap. Since the terrorist attacks of 11 September 2001 there has been renewed hope, at least in some quarters, that NATO has been reinvigorated with motivation and purpose, and that the Allies will take action to narrow the capabilities gap. The Alliance's PCC performance in 2003 shows key trends by revealing the extent to which words are being backed by deeds. This will be an important preliminary indicator. This chapter considers the milestones set and met in 2003. It considers the declarations and activities of NATO, including the work of the Strategic Command for Transformation, and member states' political statements, defense budgeting and procurement activity.

Chapter V synthesizes the key findings and presents judgments regarding the Alliance's prospects for remaining an effective political-military organization. It offers conclusions regarding the PCC and provides an assessment of how the current and foreseeable capabilities gap may affect the future ability of the Alliance to conduct combined operations.

II. THE DEFENSE CAPABILITIES INITIATIVE: GOALS AND ACHIEVEMENTS

During the 1990s, NATO's new roles in support of collective security included participation in the management of various Balkan crises. Operation Deliberate Force in 1995 and Operation Allied Force in 1999 highlighted significant disparities in military capabilities between the United States and the European NATO Allies, and demonstrated underlying reasons for the Europeans' smaller role in the NATO operations – shortcomings in interoperability and power projection capabilities. However, capabilities issues have been raised repeatedly since the signing of the Washington Treaty in 1949.

A. ORIGINS OF THE DEFENSE CAPABILITIES INITIATIVE

Efforts to deal with the military capabilities gap have been -- and are -- ongoing processes. There have been initiatives throughout NATO's history to attempt to bring NATO members' military capabilities to a higher effective and interoperable level. In 1970, the AD 70 Allied Defense improvement program was initiated when NATO placed less emphasis on nuclear forces in Europe and more emphasis on conventional forces.[16] During the Carter Administration an emerging capabilities gap was addressed with the Long-Term Defense Program (LTDP), while the Reagan Administration pursued the Conventional Defense Improvements (CDI) Program. These initiatives were all attempts to improve NATO's capabilities and to reduce the widening military gap between the United States and its European Allies.[17]

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[16] Diego A. Ruiz Palmer, speech to NATO Parliamentary Assembly, "Steps for Achieving Transatlantic Strategic Convergence," Berlin, 18 November 2000. www.nato-pa.int/archivedpub/speeches/palmer001118.asp. Accessed 7 November 2003.

[17] David S. Yost, "NATO Capabilities Gap and the European Union." p. 102.

However, after the fall of the Iron Curtain, it was the evolution of NATO from a collective defense organization to one also encompassing roles in support of collective security -- and therefore requiring the military capabilities necessary to project military power -- which would make the transatlantic capabilities gap a crucial issue to Alliance cohesion and effectiveness. At the 1991 Rome Summit, NATO stated that "Managing the diversity of challenges facing the Alliance requires a broad approach to security,"[18] and that NATO "must take account of the new strategic environment, in which a single massive and global threat has given way to diverse and multi-directional risks."[19] NATO declared, "the Allies' forces must be adapted to provide capabilities that can contribute to protecting peace, [and] managing crises that affect the security of Alliance members."[20]

Thus, even as early as 1991, NATO began to acknowledge an emerging need to acquire new military capabilities in order to embark on missions requiring expeditionary power projection. These new missions could include preventing "spill-over" effects requiring collective defense. Follow-on NATO summits and initiatives coupled with world events would reinforce NATO's broader security aspirations, and its need for capabilities to accomplish these tasks. One of the first items of reform was for NATO to investigate reorganizing its command structure to allow it to conduct operations beyond its territory.

1. Combined Joint Task Force

The Alliance's new roles and missions required a flexible command structure. This was endorsed at the January 1994 Brussels summit as the

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[18] The North Atlantic Council, Strategic Concept, 7 November 1991, par. 24.

[19] Ibid., par. 40.

[20] Although NATO stated, "Alliance's military forces will continue to reflect its *strictly defensive* nature and will be adapted accordingly to the new strategic environment," when measured in context with the compilations of the preceding statements regarding new threats and requirements of NATO, the words "strictly defensive" are really expanded by the phrase, "adapted according to the new strategic environment-" a collective security and need for power projection. See The Alliance's Strategic Concept agreed by the Heads of State and Government participating in the meeting of the North Atlantic Council. 10 July 2000, par. 45. www.nato.int/docu/basictxt/b911108a.htm. Accessed 7 November 2003.

Combined Joint Task Force (CJTF) concept. The CJTF concept envisioned NATO possessing deployable headquarters (land and sea), and command and control functions necessary to perform missions out of the Alliance area. A CJTF was seen as facilitating the utilization of NATO assets by a "coalition of the willing," on a case-by-case basis, composed of NATO members and other partners, such as members of the Partnership for Peace (PfP). A CJTF could also offer options for missions conducted by the Western European Union (WEU).[21] The CJTF concept was scheduled to be implemented over several years. After Operation Deliberate Force, the Bosnian peacekeeping operation would require a CJTF concept as NATO was again called upon to perform non-Article 5 missions.

2. Operation Deliberate Force

The graduated NATO air campaign under UN auspices in August – September 1995, Operation Deliberate Force, demonstrated that the Alliance could project coercive military power. However, it also demonstrated that NATO was heavily dependent on the United States to synthesize and provide decisive elements of precision airpower, communications, intelligence, damage assessment and electronic warfare.[22] The US leadership role pertained both during the air campaign and subsequent peacekeeping efforts conducted by the Implementation Force (IFOR) and the Stabilization Force (SFOR) in Bosnia. In Operation Deliberate Force, the United States flew 65.9% of the total sorties. The other Allies making large contributions, the United Kingdom and France, flew 9.3% and 8.1% of the total sorties respectively.[23] US platforms employed

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[21] NATO Fact Sheets, "The Combined Joint Task Forces Concept," 9 August 2000. www.nato.int/docu/facts/2000/cjtf-con.htm. Accessed 7 November 2003.

[22] John A. Tirpak, "Deliberate Force," *Air Force Magazine Online. Journal of the Air Force Association,* vol. 80, no. 10, (28 February 2003), October 1997. www.afa.org/magazine/oct1997/1097deli.asp. Accessed 6 November 2003.

[23] Regional Headquarters Allied Forces Southern Europe Fact Sheets, "Operation Deliberate Force," 16 Dec 2002. http://www.afsouth.nato.int/factsheets/DeliberateForceFactSheet.htm. Accessed 7 November 2003.

precision munitions in 90% of the strike operations, an enormous increase from Operation Desert Storm, in which only two percent of the weapons expended during the air war were PGMs.[24] "Richard Holbrooke flatly declared that the diplomatic effort wouldn't have succeeded 'without the United States Air Force and Navy and the precision bombing.'"[25] The German officer then serving as the chairman of NATO's Military Committee, General Klaus Naumann, commented as follows about essential US communications support during the Bosnian crisis: "It indicates quite clearly that without American support, an operation like [IFOR] could not be done. ...There is no security for Europe without the Americans."[26] During his campaign to persuade the Americans to participate in IFOR, NATO Secretary General Willy Claes made a profound statement, indicating growing awareness and acknowledgement of a transatlantic capabilities gap.

> I know that many Americans are asking why it is necessary for the United States to participate on the ground in such an operation. ... the European Allies do not have the resources, capabilities and manpower to do the job alone.[27]

These statements and similar observations would become prophetic as to what would face NATO at the end of the decade, and provided an impetus for the European Allies to address their capabilities deficiencies.   The European

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[24] Paul Kaminski, Under Secretary of Defense for Acquisition and Technology, lecture at the US Air Force Academy, Colorado Springs, Colo., titled "Sustaining Flight Through Knowledge," *DefenseLink,* vol. 11, no.42, (2 May 1996), Available at www.defenselink.mil/speeches/1996/s19960502-kaminski.html. Accessed 7 November 2003.

[25] Ambassador Richard C. Holbrooke, special US negotiator in the Balkans and primary architect of the Dayton peace accords, comments at Air Force Association's 1996 National Convention, quoted in John A. Tirpak, "Deliberate Force."

[26] Rick Atkinson and Bradley Graham, "As Europe Seeks Wider NATO Role, Its Armies Shrink," *Washington Post,* 29 July 1996, pp. A1, A15. Cited in David S. Yost, "The NATO Capabilities Gap and the European Union," pp. 102-103.

[27] NATO Secretary General Willy Claes, comments to the to The National Press Club, Washington D.C., 4 October 1995. Available at www.nato.int/docu/speech/1995/s951004a.htm. Accessed 7 November 2003.

Security and Defense Identity (ESDI), initially to be based on the WEU, was endorsed by NATO as a way to improve European capabilities within the Alliance.

3.   The ESDI in 1994-1999

Given that the capabilities gap could undermine the transatlantic link, and that a nascent European defense identity was emerging within the WEU, NATO began recognizing European contributions to the Alliance's military capabilities in the context of the European Security and Defense Identity (ESDI).[28]   This was confirmed at the 1994 Brussels and the 1996 Berlin meetings of the North Atlantic Council.[29]   At the July 1997 Madrid and April 1999 Washington summits, the Alliance took steps to formally institutionalize the ESDI within NATO. From the NATO perspective, the ESDI was seen as a vehicle -- in part -- to strengthen the European pillar of the Alliance by providing the means for the European Allies to contribute to Alliance military capabilities, and coupled with CJTF, allowed the Alliance to remain capable and flexible.   NATO also viewed enhanced European military capabilities as facilitating a stronger transatlantic link. At the Madrid Summit, NATO addressed the ESDI and the CJTF, and reinforced its new roles and missions.[30]   The ESDI helped provide an impetus toward addressing capabilities at the 1999 Washington summit,[31] by providing the intent to allow the Europeans to act when the Alliance "as a whole" was not engaged.

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[28] NATO Handbook, "The European Security and Defence Identity," 10 October 2002. www.nato.int/docu/handbook/2001/hb0401.htm. Accessed 7 November 2003.

[29] Ibid.

[30] North Atlantic Council, "Madrid Declaration on Euro-Atlantic Security and Cooperation," Press Release M-1 (97)81, Madrid, 8 July 1997, par. 4, 14, 17.   www.nato.int/docu/pr/1997/p97-081e.htm. Accessed 7 November 2003.

[31] NATO Handbook, "The European Security and Defence Identity," Accessed 10 October 2002.

4. Operation Allied Force

NATO continued toward the end of the 1990s to stress the importance of improving military capabilities and maintaining the transatlantic link in order to remain credible and effective. However, as the 1990s drew to a close, it became increasingly clear that over the past decade, NATO's language of addressing broader security matters to meet new threats ran counter to an increasing military capability gap between the United States and its NATO European Allies. The capabilities gap had become a real hindrance to effective combined action. What had become first evident during Operation Deliberate Force became even more acute in combined efforts involving NATO European members and the United States during Operation Allied Force in March – June 1999. While Operation Deliberate Force gave real indications that NATO's European members did not have the interoperable capabilities to embark effectively without the United States on the most demanding non-Article 5 or Petersberg Tasks (crisis management and peace enforcement operations),[32] Operation Allied Force confirmed this reality.

As the April 1999 Washington Summit took place, NATO members could view –- in "real time" -- the results of Operation Allied Force (the 78-day air campaign had begun a month earlier), and witness America's dominance in all aspects of the air operation. Operation Allied Force demonstrated that NATO's efforts to address the capabilities gap through declarations and rhetoric had not been backed by results. The air campaign known as Operation Allied Force provided both the Europeans and the Americans tangible evidence of how wide

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[32] The Petersberg Tasks were originally defined by the Western European Union (WEU). In the Petersberg Declaration, the WEU declared that "military units of WEU member States, acting under the authority of WEU, could be employed for: humanitarian and rescue tasks; peacekeeping tasks; tasks of combat forces in crisis management, including peacemaking." The Petersberg Tasks would later be incorporated into the EU's vision of its future missions, just as most of the WEU functions were effectively incorporated into the EU. The "Petersberg Tasks" closely resemble NATO's collective security missions, and therefore the term is sometimes used interchangeably with NATO's "non-Article 5 tasks." See WEU Documents. Western European Union Council of Ministers Petersberg Declaration. Bonn. 19 June 1992, Section II, par.4. www.bits.de/NRANEU/docs/petersberg92.pdf. Accessed 7 November 2003.

the military capabilities gap had become.[33] According to a Northrop Grumman analysis, American air power dominated almost every dimension of the military effort during the conflict over Kosovo. US aircraft comprised 70 percent of the air fleet assembled for the operation and flew roughly the same proportion of the sorties overall. Allied Force uncovered bothersome limitations in the ability of Alliance forces to operate together. US forces demonstrated significantly greater operational capability and technological maturity. American operational advantages in aerial refueling, airlift, and mission support greatly exceeded the abilities of the Europeans. Technologically, American capabilities in stealth, electronic warfare, precision strike, wide-area surveillance, wide-area command and control, and secure communications proved substantially greater than that of their Allies.[34]

Additional figures illustrate the disparity between American power projection capabilities and those of the Europeans. The United States

- carried out 80% of weapon deliveries.[35]
- had an almost complete monopoly in offensive electronic warfare, airborne command and control, all-weather precision munitions, air-to-air refueling, and mobile target acquisition.[36]
- supported "approximately 95% of NATO's intelligence requirements."[37]

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[33] Other figures on U.S contributions during Operation Allied Force: 60% Aviation Sorties, 80 % Weapons deliveries, 95 % cruise missiles launched, 70% support missions, 90% electronic warfare/supprestion of enemy air defense, all stealth sorties, 75% of combat search and rescue sorties. Frans Osinga, "Whither European Defence? The Lost Momentum of ESDP Post- '911'," forthcoming in 2003-2004. Quoted with the author's permission.

[34] Northrop Grumman, "After Kosovo: Closing the Capabilities Gap," 1999. www.northropgrumman.com/news/rev_mag/review09_12.html. Accessed 31 October 2003.

[35] The International Institute for Strategic Studies, *The Military Balance 1999-2000,* (London: Oxford University Press, 1999), p.30.

[36] US Secretary of Defense William Cohen statement to the US Senate Armed Services Committee, Hearings on Operations in Kosovo, 20 July 1999. Cited in David S. Yost, "The NATO Capabilities Gap and the European Union," p.103.

In past operations, the United States had normally maintained "legacy systems" in order to accommodate and communicate with the systems of other countries participating in a coalition. With the Balkan operations, however, the United States and its NATO Allies did not always maintain secure communications. "As a matter of principle, the US armed forces will not 'dumb down' information systems or decline to develop them to their full potential for the sake of interoperability."[38] Although the US policy then was to "to retain 'legacy' systems for essential coalition communications,"[39] in practice the United States' reliance on advanced technology systems presented dilemmas during the combined operations. On some occasions when information was passed, it required delays and compromised operational security. This led to a situation in which many of the Allies were left "in the dark," incapable of acting on time-sensitive information, and therefore incapable of participating effectively in Operation Allied Force.

In testimony to the Senate Armed Services Committee on 14 October 1999, the US Secretary of Defense, William Cohen, and the Chairman of the Joint Chiefs of Staff, Gen. Henry Shelton, noted that

> the operation highlighted a number of disparities between U.S.
> capabilities and those of our allies, including precision strike,
> mobility, and command, control, and communications capabilities.
> The gaps in capability that we confronted were real, and they had
> the effect of impeding our ability to operate at optimal
> effectiveness with our NATO allies. … Such disparities in capabilities

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[37] James P. Thomas, *The Military Challenges of Transatlantic Coalitions,* Adelphi Paper 333, (London: Oxford University Press for The International Institute for Strategic Studies, 2000), p. 52. Cited in David S. Yost, "The NATO Capabilities Gap and the European Union," p. 104.

[38] Rear Admiral Kenneth Heimgartner, US Navy, speech at Surface Navy Association International Navies Luncheon, 13 January 2000, pp. 7-8, 12 of text furnished by OPNAV. Quoted in indirect discourse in David S. Yost, "The NATO Capabilities Gap and the European Union," p. 105.

[39] Ibid.

will seriously affect our ability to operate as an effective alliance over the long term.[40]

The United States became increasingly concerned about the Alliance's effectiveness because of its role changes, enlargement, and the growing capabilities gap.[41] The Europeans were concerned as well, because America's military capabilities allowed it to run and dominate Operation Allied Force, and showed the European Allies that they needed to improve their capabilities if they wanted a greater voice in future operations. Lord Robertson emphasized the importance of improving transatlantic military capabilities for the cohesiveness of the Alliance, and the dangers of not addressing capabilities issues.

> Ten years after the Cold War ended, this relationship is as important as ever -- but to remain effective, it needs a bit of a tune-up. In this regard, Kosovo has been a wake-up call. It showed us that one member of NATO may be getting technologically so far ahead of the others that our forces could have trouble operating together. We must avoid the creation of a "two-tier" NATO, where those with the more advanced technology provide the stand-off weapons, the aircraft and the logistics, whilst the rest provide the soldiers. This is an unfair and unsustainable division of labour.[42]

B. THE DEFENSE CAPABILITIES INITIATIVE: 1999 WASHINGTON SUMMIT

Recognizing difficulties in conducting Alliance operations effectively, NATO embarked at the Washington Summit on a program to remedy deficiencies in

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[40] Iain Duncan Smith, British Member of Parliament, and Shadow Secretary for Defence United Kingdom, brief to The Committee on International Relations, House of Representatives, "European Common Foreign, Security and Defense Policies – Implications for the United States and the Atlantic Alliance," 10 November 1999. www.house.gov/international_relations/106/full/106first/testimony/smith.htm. Accessed 7 November 2003.

[41] Robert E. Hunter, "*The European Security and Defense Policy: NATO's Companion-or Competitor?"* Rand*.* 2002, pp. 46-7, 49.   Full text available at www.rand.org/publications/MR/MR1463/.   Accessed 7 November 2003.

[42] NATO Secretary General Lord Robertson Dinner Speech, International Institute for Strategic Studies (IISS), Arundel House London, 22 March 2000. www.nato.int/docu/speech/2000/s000322b.htm. Accessed 7 November 2003.

capabilities through the Defense Capabilities Initiative (DCI). Allies endorsed an initiative concerning capabilities in December 1998 at a NATO defense ministers meeting with US Secretary of Defense William Cohen.[43] However, the United States dominance in the Kosovo campaign provided an added impetus to act on the recommendations of the DCI while Kosovo was still fresh in the Allies' minds. At the 1999 Washington Summit, NATO reaffirmed and emphasized that non-Article 5 missions -- conflict prevention, crisis management, and peace support operations -- were part and parcel to NATO's new role in the world.

> NATO must now be ready to deploy forces beyond Alliance borders to respond to crises, in addition to being able to defend against deliberate aggression. … [F]uture Alliance military operations are likely to be markedly different from the kind of operation for which planning was undertaken during the Cold War. They will probably take place outside Alliance territory; they may last for many years; and they will involve troops of many nations working closely together – principally from member states but also, in some instances, from partner countries.44

The NAC emphasized the need to maintain an adequate military capability because "Military capabilities effective under the full range of foreseeable circumstances are also the basis of the Alliance's ability to contribute to conflict prevention and crisis management through non-Article 5 crisis response operations."[45] As noted earlier, the Defense Capabilities Initiative was officially launched at the Washington Summit in April 1999:

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[43] Robert E. Hunter, The European Security and Defense Policy: NATO's Companion – or Competitor.

[44] NATO Fact Sheets, "NATO's Defense Capabilities Initiative," April 2000. www.nato.int/docu/facts/2000/nato-dci.htm. Accessed 7 November 2003.

[45] North Atlantic Council, "The Alliance's Strategic Concept," NAC-S(99)65, 24 April 1999, par.29. www.nato.int/docu/pr/1999/p99-065e.htm. Accessed 7 November 2003.

We have launched a Defense Capabilities Initiative to improve the defence capabilities of the Alliance to ensure the effectiveness of future multinational operations across the full spectrum of Alliance missions in the present and foreseeable security environment with a special focus on improving interoperability among Alliance forces (and where applicable also between Alliance and Partner forces).[46]

With the overriding goal being interoperability over the full range of missions,[47] the specific goals that the DCI addressed were placed under broad categories:

- "mobility and deployability": i.e., the ability to deploy forces quickly to where they are needed, including areas outside Alliance territory;
- "sustainability": i.e., the ability to maintain and supply forces far from their home bases and to ensure that sufficient fresh forces are available for long-duration operations;
- "effective engagement": i.e., the ability to successfully engage an adversary in all types of operations, from high to low intensity;
- "survivability": i.e., the ability to protect forces and infrastructure against current and future threats;

- and "interoperable communications": i.e., command, control and information systems which are compatible with each other, to enable forces from different countries to work effectively together.[48]

Within these areas, 58 specific capabilities were identified as military deficiencies within NATO.[49] The deficiencies identified were to be remedied through NATO's collective defense planning process. A temporary High-Level

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[46] North Atlantic Council, Washington Summit Communiqué, NAC-S(99)64, 24 April 1999, par.11. www.nato.int/docu/pr/1999/p99-064e.htm. Accessed 7 November 2003.

[47] Ibid.

[48] NATO Fact Sheets, "Defence Capabilities Initiative (DCI)," April 2000. www.nato.int/docu/facts/2000/nato-dci.htm. Accessed 7 November 2003. The original goals are addressed in the North Atlantic Council, 1999 Washington Summit Communiqué, NAC-S(99)64, par.11.

[49] Philip H. Gordon, "NATO and the War on Terrorism, A Changing Alliance," pp.36-38. The specific DCI items are classified. See NATO Parliamentary Assembly, October 2003, par.5. http://www.nato-pa.int/archivedpub/comrep/2001/au-199-e.asp. Accessed 8 November 2003.

Steering Group (HLSG) was given a two-year mandate to oversee implementation.[50] The High-Level Steering Group did not include France, because Paris does not participate in any of the activities categorized by the Alliance as collective defense planning -- e.g., submitting an annual defense planning questionnaire.

C. DCI IMPLEMENTATION MILESTONES

Although much of the financial and procurement data related to the DCI goals is classified either by NATO, or through national policies, information about how the DCI was carried out is available in a variety of unclassified sources. One can also draw inferences from how individual NATO member states contributed toward power projection during combined operations. NATO statements in June 2000 suggested that the DCI had made real progress, that each member state had an "outline" to follow, and that the DCI's outlook was positive.

> Defence ministers approved the most recent set of NATO Force Goals (FGs) at the June 2000 ministerial meeting. …Of the 2,760 FGs, approximately 1,900, or 69%, are related to one or more of the 58 DCI items. In total, 36 of the 58 DCI items have been included in this year's FGs. … [T]he extent to which DCI has been translated into FGs this year can be taken as a clear indication of DCI's success in its early stages. …It is fair to say that the DCI has the potential to shape the force planning process for many years to come and to provide the necessary direction for the future effectiveness of NATO. [51]

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[50] NATO Fact Sheets, "Defence Capabilities Initiative (DCI)," 2 December 1999. www.nato.int/docu/comm/1999/9912-hq/fs-dci99.htm. Accessed 7 November 2003.

[51] NATO Parliamentary Assembly: Defence and Sub-Committee on the Future Security and Defence Capabilities, Interim Report, "The Defence Capabilities Initiative and NATO's Strategic Concept," November 2000, par. 101, 111. www.nato-pa.int/archivedpub/comrep/2000/at-245-e.asp#3. Accessed 7 November 2003.

A 1999 NATO Annual Defence Review announced that many of the member states had achieved a strong focus on the DCI.[52]   The task of addressing the DCI goals was carried out through NATO's Force Planning Process (FPP).

1.   Force Planning Process

The Force Planning Process "is an advisory process that aims to harmonise national defence plans, but does not contain any kind of enforcement mechanism…[I]ts own organic forces are limited to 17 early-warning aircraft (AWACS)."[53]   The FPP is held on a biennial basis and relies on Ministerial Guidance and NATO's current Strategic Concept in order to coordinate national defense plans to develop the Force Goals (FGs) to acquire the capabilities required.   Plans are developed through efforts involving the major commanders and the International Military Staff (IMS), and forecast six years, through a Defense Planning Questionnaire and annual defense review. Force Goals are approved by the defense ministers participating in the Alliance's collective defense planning process.[54]   The High-Level Steering Group (HLSG) was designated to facilitate carrying out the DCI via the Force Planning Process.

The Deputy Secretary General of NATO chaired the High-Level Steering Group. The group was comprised of representatives of defense ministers from the NATO capitals who met regularly. The original mandate for the HLSG was two years, but it was extended into 2002. The HLSG was envisioned to act as a clearinghouse for partners in creating and coordinating multinational formations, to help ensure that these multinational formations would enhance the DCI

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[52] Ibid., par. 112.

[52] Ibid., par. 112.

[53] Ibid., par. 95.

[54] Ibid., par. 95-100.

capabilities,[55] and to coordinate the activities of various committees within NATO to address the issues relating to the DCI via the FPP. The group divided the 58 DCI deficiencies into three categories: short, medium and long-term goals.[56]

2.   Alliance Activity Following the DCI

In order to assess success in satisfying the DCI goals, progress made in the critically deficient areas needs to be evaluated. Analyzing Alliance activity during this period is helpful in understanding the achievements of the DCI. At the beginning of the DCI, NATO's parliamentary assembly warned that the ultimate factor in its success would be for member states to commit resources.[57] The activities and procurement achievements of the Allies following the 1999 Washington Summit suggest that the DCI suffered from a lack of funding, a lack of priority, and a lack of political will.

A few months after the DCI was launched in April 1999, Iain Duncan Smith, a member of the British Parliament, briefed the US House of Representatives on the impasses in advancing European Allies military capabilities, despite the lessons of Kosovo and despite the new global threats to security facing the Alliance.

> For in the face of these clear and growing threats…Europe seems to be choosing military politics over military potency. … [N]o significant plans exist amongst European nations to invest in their defence capabilities. … [M]ost European nations are cutting their equipment budgets.[58]

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[55] NATO Fact Sheets, "Defence Capabilities Initiative (DCI) December 1999 Overview."

[56] NATO Parliamentary Assembly: Defence and Security Sub-Committee on the Future Security and Defence Capabilities, Interim Report, "The Defence Capabilities Initiative and NATO's Strategic Concept," November 2000, par. 81-2, 103.

[57] Ibid., par. 112.

[58] British MP Iain Duncan Smith, Shadow Secretary of Defence United Kingdom to Committee of International Relations, US House of Representatives, "European Common Foreign, Security and Defense Policies – Implications for the United States and the Atlantic Alliance." 10 November 1999. wwwa.house.gov/international_relations/106/full/106first/testimony/smith.htm. Accessed 11 November 2003.

In a "report card" delivered to the 36th Munich Conference on Security Policy in February 2000, US Secretary of Defense William S. Cohen noted that only a fraction of member states had made progress in procuring capabilities as outlined in the DCI.

> [L]et me just list to you what we haven't done: Less than half of the nations who agreed to do so have made their full contributions to asset-tracking systems for better logistical support; Less than half of the requested nations have contributed their full share to advanced intelligence network; Less than half of the nations that have been asked to deploy command and control modules to improve interoperability have done so; Two of the seven nations that now have air-to-air refueling for alliances have met their targets for the rapid reaction force; Only one out of fourteen nations assigned to work in the deployable headquarters, that can withstand biological and chemical attacks, has done so. I could go on down the list. This is not acceptable.[59]

Secretary Cohen concluded by stating what was becoming apparent on both sides of the Atlantic. "I see countries consistently cutting their budgets at the very same time that there is a recognition that you have to improve your capabilities."[60]

In March 2000, almost a year after the DCI was formally launched, it was apparent that with many of the European Alliance members decreasing their defense budgets little progress was being made in addressing core areas of deficiency. Member states seemed almost to have forgotten about the DCI, when in March 2000 Lord Robertson addressed the International Institute for Strategic Studies (ISIS) about the dangers of the transatlantic capabilities gap and the importance of progress toward the DCI goals.

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[59] Secretary of Defense William S. Cohen remarks as delivered at the 36th Munich Conference on Security Policy titled, "European Security and Defense Identity."

[60] Ibid.

Our Defence Capabilities Initiative is designed to address these challenges. …This goal must be met, not with empty words, or new bureaucratic structures, but with real capabilities and real money. Spending more wisely is only one side of the equation. For European defence to be truly credible, we must face up to the fact that we may need to spend more.[61]

A year later, in March 2001, US Air Force General Joseph W. Ralston, Commander-in-Chief, US European Command, briefed the House Armed Services Committee regarding the danger of an unfulfilled DCI, and the importance of European support and American commitment:

The DCI's success depends upon whether Europeans are willing to spend more, and more wisely, in narrowing the gap between their military technology and warfighting capability, and our own. Should Europe prove unable to engage in military operations at or near the level of U.S. capabilities, it may leave them vulnerable and limit the U.S. in some cases to unilateral action. … Unilateral action endangers the historical link between the American and European peoples. While the issue of DCI is being worked at the highest levels in NATO, it is critically important that the Congress work to engage their European counterparts on this issue.[62]

In June 2001 some progress appeared to have been made in strategic mobility, when an agreement between Britain, France, Germany, Italy, Spain and Sweden paved the way for development and production of A400M strategic lift transports from the Airbus Military Company.   The A400M was projected to give the Europeans the mobility they needed as envisioned by the DCI.   An agreement to procure 212 A400M aircraft was signed by Belgium, Britain,

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[61] Lord Robertson dinner speech as delivered at the IISS, Arundel House London, 22 March 2000.

[62] General Joseph W. Ralston, US Air Force, Commander in Chief US European Command, statement before the House Armed Services, 29 March 2001.
www.house.gov/hasc/openingstatementsandpressreleases/107thcongress/01-03-29ralston.html. Accessed 7 November 2003.

France, Germany, Italy, Luxembourg, Portugal, Spain and Turkey. British Defence Secretary Geoff Hoon hailed the agreement.

> Today's signatures demonstrate the clear commitment of the nations of Europe to deliver on the promises we made to improve military capability through both NATO's Defence Capabilities Initiative and the EU Headline Goal. …[It is a] demonstration of Europe's determination to pull its weight alongside America in delivering an effective military capability.[63]

However, the A400M aircraft are not expected to be ready until around 2010, which leaves an enormous short-term strategic lift deficiency for the European Allies.

In June 2001, NATO highlighted continuing deficiencies in a key DCI progress report to the North Atlantic Council (NAC). "Although progress has been made in certain areas, further efforts are required to achieve the necessary improvements." According to the NAC in Defense Ministers Session, "critical and long-standing deficiencies" remained in the following areas:
- effective engagement and survivability;
- suppression of enemy air defence and support jamming;
- combat identification;
- intelligence, surveillance and target acquisition;
- air weapons systems for day/night and all weather operations;
- air defence in all its aspects, including against theater ballistic missiles and cruise missiles; and

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[63] United Kingdom Ministry of Defence, "Europe Signs Up To a Major Step Forward in Defence Capability," 19 June. 2001.
www.britain-info.org/defence/xq/asp/SarticleType.1/Article_ID.1522/qx/articles_show.htm. Accessed 7 November 2003.

▪ capabilities against nuclear, biological, and chemical (NBC) weapons and their means of delivery.[64]

At the June 2001 meeting, Defense Ministers resolved to get directly involved in multinational projects, which would help address the above "critical and longstanding deficiencies."

> We attach importance to accelerating work in all these areas, including where necessary to resolve resource difficulties. We endorsed a report on special considerations for biological weapons defence. With respect to the suppression of enemy air defence and support jamming, and Alliance Ground Surveillance, we directed that special high-level meetings should take place to examine the potential for cooperative solutions.[65]

However, towards the end of 2001, 70 percent of the European Union's Helsinki Headline Goals were recognized as common to the DCI and remained unfulfilled.[66]   By the Fall of 2001, any progress in meeting the DCI's goals appeared to have stalled.   The International Security Information Service reported that the HLSG utilized a color-coded system to track status of the DCI items.

> Progress in each issue has been rated through a traffic light system to indicate if it is on course, having problems or at an impasse. Of

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[64] North Atlantic Council, Defence Ministers in Session, "Statement on NATO Defence Capabilities Initiative," M-NAC-D-1(2001)89, Brussels, 7 June 2001, par.2. www.nato.int/docu/pr/2001/p01-089e.htm. Accessed 7 November 2003.

[65] Ibid.

[66] Sir Timothy Garden, "Making European Defence Work," 11 December 2002. www.tgarden.pwp.blueyonder.co.uk/writings/articles/2002/021211eu.html. Accessed 7 November 2003.

the 59 decisions 29 are listed as green, 22 amber and 11 red and one black where failure has been acknowledged. [67]

It is significant that ISIS highlighted some of the following critical areas that remained unfulfilled:

- tactical air support
- Air/Ground surveillance (AGS) capabilities
- suppression of enemy air defences (SEAD)
- data fusion and ground links
- all-weather precision offensive forces. [68]

However, if there was any question about the progress that the European Allies had made toward satisfying the critical stated aims of the DCI, that question was answered shortly following the 11 September 2001 terrorist attacks when several NATO nations mobilized for combined action. Operation Enduring Freedom (OEF) would be similar to Operation Allied Force, in that American dominance of the operation would raise questions about the Alliance's enduring value in the face of such disparate transatlantic capabilities, and the failure of the DCI to address them successfully.

3.   Operation Enduring Freedom

On 12 September 2001, NATO for the first time invoked Article 5 of the North Atlantic Treaty. According to Article 5, "an armed attack against one …

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[67] *ISIS*, "Achieving the Helsinki Headline Goals," 10 January 2002. www.isis-urope.org/isiseu/cfsp_reports/report20.html. Accessed 6 November 2003. It is unclear why the ISIS reported 59 shortfalls vice the original 58. However, it appears that following September 2001, a further NATO review of the DCI added an additional shortfall within the five broad categories. The NATO Parliamentary Assembly referred to 59 items in October 2001, and noted that the specific DCI items are not published.   See par. 5 at http://www.nato-pa.int/archivedpub/comrep/2001/au-199-e.asp. Accessed 6 November 2003. Additionally, as far as the status of the traffic light system, NATO has not published any open source details about this monitoring system. The purpose of showing the results is to illustrate the amount of items unfulfilled. This coupled with other information suggests what capabilities were not attained and what capabilities were at various stages of implementation.

[68] *ISIS*, "Achieving the Helsinki Headline Goals," 10 January 2002.

shall be considered an attack against them all." The Allies expressed a willingness to take action following the first invocation in history of Article 5 of the treaty, and expected to do so. NATO, however, was not asked by the United States to direct the operation, partly due to political reasons. American leaders evidently were reluctant to have a "war by consensus" or "war by committee" based on the model of NATO's Kosovo intervention in 1999. Additionally, because America had been attacked, Washington had the right to run the operation. Furthermore, the need to take prompt and effective action was another factor, notably in light of the fact that several NATO Allies were not equipped or interoperable as a cohesive and coherent military force to take part in such expeditionary and power projection operations at short notice. Washington commenced Operation Enduring Freedom (OEF) on 7 October 2001.

Sixteen Allies participated in OEF, but not under NATO auspices. For those who participated, as Philip Gordon noted, "The Afghanistan campaign revealed large capability gaps between the war-fighting capabilities of the United States and its allies and reinforced the perception in some quarters in Washington that it is easier to conduct operations alone than with allies who have little to offer militarily and who might hamper effective decision making."[69] The European NATO members that contributed forces displayed difficulties in the core areas that the DCI had sought to rectify. Strategic mobility, interoperability, command and control, and real-time targeting were some of the deficiencies displayed by the European coalition members. With the exception of Britain, the European Allies fell well short of demonstrating capability to conduct Combined Joint Task Force (CJTF) missions during the military campaign.

Once major combat operations had ceased, deficiencies were also evident in the International Security Assistance Force (ISAF) operations. The ISAF, not a NATO-led mission until August 2003, was in its initial phases run successively

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[69] Philip H. Gordon, "NATO and the War on Terrorism," pp. 36-38.

by four NATO member states: Britain, Turkey, Germany, and the Netherlands, the latter two leading ISAF as a team.   European deficiencies in strategic lift were demonstrated when the ISAF had to charter and lease 89 aircraft for strategic transportation from the following non-NATO states: 69 aircraft from Russia; nine from Ukraine; nine from Latvia; one from Armenia; and one from Iran.[??70]

OEF demonstrated that no other NATO member came close to US power projection capabilities -- with Predator unmanned aerial vehicles, real-time strategic and tactical intelligence, airborne systems, and other capabilities essential for expeditionary operations.[71]   What the United States displayed during Operation Enduring Freedom was that it had developed an ability to prosecute a new mode of warfare.[72]

In February 2002 Sir Timothy Garden summed up well the status of the DCI after almost three years with a warning:

> After 3 years the DCI has achieved little…. Funding the key enabling capabilities still remains unsolved. … [N]ational, institutional, political and industrial vested interests make progress towards more useful and cost effective military capability painfully slow. … 15 nations [are] duplicating all their defence activities. If we were a multinational business, which in a sense we are, we would long ago have rationalised our supply chains, our training, our product delivery systems, and done away with the bureaucracy of the headquarters in every country. This is politically very difficult for member states. **…**[The United States] starts from a much better position, and is investing far more in military research and

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[70] Secretary of State for Defence, Mr. Geoff Hoon written response to Mr. Jim Cousins, Esq. MP, (Hansard) House of Commons Written Answers for 2 May 2002 (pt19). www.parliament.the-stationery-office.co.uk/pa/cm200102/cmhansrd/vo020502/index/20502-x.htm. Accessed 30 July 2003.

[71] Franklin D. Kramer, "The NATO Challenge," *Washington Times,* 14 March 2002.

[72] The author participated in Operation Enduring Freedom as an AV-8B pilot aboard the USS Peleliu, 15th Marine Expeditionary Unit, Marine Medium Helicopter Squadron (HMM) – 163, September 2001 until January 2002.

development than Europe. Most EU forces are irrelevant to US needs on the types of operations that America wishes to undertake. The Europeans will fall further and faster behind unless they both increase spending and rationalise between themselves.[73]

4.   The End of the DCI

Based on the deficient progress made in the DCI since its inception in April 1999 through the fall of 2001, the DCI effectively ended at that time. The realization that the DCI had failed to achieve many of its objectives over its three years of existence, as became apparent during Operation Enduring Freedom, and that terrorism would be an acute threat to the Allies in the future led to another round of calls throughout the Spring of 2002 for capabilities improvements. In May 2002, the North Atlantic Council announced the following decision:

> In preparation for the Prague Summit, we have today given guidance on the development of vital new capabilities. … To carry out the full range of its missions, NATO must be able to field forces that can move quickly to wherever they are needed, sustain operations over distance and time, and achieve their objectives. This will require the development of new and balanced capabilities within the Alliance, including strategic lift and modern strike capabilities, so that NATO can more effectively respond collectively to any threat of aggression against a member state. We look forward to decisions by Defence Ministers on specific recommendations for the development of new capabilities, for approval by Heads of State and Government at the Prague Summit.[74]

In June 2002, the NAC in Defense Ministers Session issued a detailed statement addressing capabilities.

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[73] Sir Timothy Garden, "Europe and America: A New Strategic Partnership: What can we afford?"

[74] North Atlantic Council, Ministerial Session, "Final Communiqué," M-NAC-1(2002)59, Reykjavik, 14 May 2002, par. 2, 5. www.nato.int/docu/pr/2002/p02-059e.htm. Accessed 7 November 2003.

We noted the progress made in implementing the Defence Capabilities Initiative, launched at the Washington Summit, and agreed that a greater and more focused effort is now necessary. …The new initiative should be based on firm national commitments, with specific target dates, that our countries will make. Appropriate high-level monitoring of the initiative should be ensured. …The new initiative will need to be realistic and achievable in economic terms, but should also pose a genuine challenge. We note in this context the scope for further reprioritization in many Allies' defence budgets, for example in reducing force levels and shifting resources towards equipment modernization. However, in many cases substantial financial resources will also be required. There is a clear need for the Allies to develop new methods to identify and implement cost-efficient solutions to defence capability shortfalls, and to reduce fragmentation of effort. In this regard, the new initiative should encourage, where appropriate, the pooling of military capabilities, increasing role specialization, cooperative acquisition of equipment and common and multinational funding. Recommendations regarding the initiative are to be submitted for approval by Heads of State and Government at Prague.[75]

Parallel to these communiqués, the Defense Planning Committee, which does not include France, issued a separate communiqué regarding capabilities in a more direct manner.

On the basis of discussions on the development of the Force Goals, it is clear that more effort needs to be focussed on the development of key capabilities including defence against nuclear, chemical and biological weapons, strategic transport, support capabilities for combat units and a number of specialised capabilities such as surveillance and target acquisition, support jamming and air-to-air refuelling. We noted that reprioritisation, multinational cooperation and role sharing, including where appropriate by means of joint or common funding or through commonly-owned and operated NATO systems such as AWACS, will have an important role to play in overcoming these deficiencies. To facilitate such common programmes, we intend to devote particular

[75] North Atlantic Council, Defense Ministers in Session, "Statement on Capabilities," (2002)074, NATO HQ, 6 June 2002, par.6-7. www.nato.int/docu/pr/2002/p02-074e.htm. Accessed 12 May 2003.

attention to efficient ways of managing collaborative projects and coordinating defence acquisition. However, in many cases additional financial resources will also be required. We undertake to give a high priority in our national defence plans to implementation of the 2002 NATO Force Goals and to seek the necessary resources to ensure this.[76]

What had become clear during the DCI years (1999-2002) was that some of the Allies were not procuring capabilities based on the DCI agenda. The British expressed frustration, especially since the United Kingdom had been pursuing expeditionary capabilities such as Roll-on Roll-off (RORO) shipping and strategic lift via C-17 aircraft, which it had leased from the United States. In July 2002 the Defense Committee of the British House of Commons noted that other European Allies were not pulling their load in strategic air or sealift.

Across NATO countries, strategic air and sea lift remain insufficient, with many Allies contributing nothing. While there are considerable numbers of *tactical* transport aircraft, for example, the only European *strategic* air lift capability is provided by the UK's four C-17s.[77]

But even the United Kingdom, which was far ahead of most European Allies in having a coherent plan to address the deficiencies listed in the DCI, was four years behind in acquiring the capabilities that it planned to obtain. The British had been working on these deficiencies already in the late 1990s, notably in the 1998 Strategic Defense Review, and had validated their efforts in NATO's Kosovo intervention.[78] In October 2002, the NATO website published the following statement:

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[76] NATO Defence Planning Committee and Nuclear Planning Group Ministerial Meeting, "Final Communiqué," (2002)071, NATO HQ, 6 June 2003, par. 5. www.nato.int/docu/pr/2002/p02-071e.htm. Accessed 6 November 2003.

[77] House of Commons Defence Committee, *The Future of NATO* - Seventh Report of Session 2001-2002; emphasis in the italics, par. 128.

[78] Ibid., par.127-8.

While the Defence Capabilities Initiative has contributed some improvements, progress has been uneven. Accordingly, further measures to bring about significant improvements will be adopted at the Prague Summit in November 2002.[79]

In December 2002, the European Parliament succinctly summed up where the European Allies stood in attaining capabilities that were common to the DCI and the Headline Goal and what the Allies' prospects were for attaining necessary capabilities in the future.

Most panels have already recognised that shortfalls are unlikely to be met in 2003 and that where national governments are making some progress these will not be fully apparent until much later in the decade (such as significant improvement in airlift, air-to-air refuelling, PGMs, UAVs and command, control and communication assets). … Both the EU and NATO capability assessments highlight that European armed forces have capability shortfalls in key enabling areas of Deployability and Mobility, Sustainability and Logistics, [and] Command Control and Infrastructure. …Further shortfalls have been identified with regard to Effective Engagement and Survivability of Forces.[80]

Based on this report from the European Parliament and the agenda for the Prague summit, it was apparent that the DCI had been a genuine disappointment, and that little progress had been made in addressing the core areas which contribute to the transatlantic capabilities gap. The process for reform was beginning anew -- and with a new acronym.

[79] NATO Publications, "The Transformation of the Alliance: NATO's Defence Capabilities Initiative," 8 October 2002. www.nato.int/docu/handbook/2001/hb0205.htm. Accessed 6 November 2003.

[80] Stephen Pullinger, "Defence Equipment for European Crisis Management." European Parliament Directorate-General for Research working paper. *ISIS.* Brussels, March 2003, p.30. Full report available at http://www4.europarl.eu.int/estudies/internet/workingpapers/poli/pdf/123_en.pdf. Accessed 14 November 2003.

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III. THE PRAGUE SUMMIT: GOALS AND ACHIEVEMENTS

By late 2001, the DCI was considered a program with disappointing results in narrowing the transatlantic capabilities gap. The DCI had evidently failed because it unrealistically asked the Allies to make improvements in the 58 deficient areas while setting no implied or explicit deadlines, nor milestones for improvement by specific Allies. This should not be surprising as the Allies are sovereign nations that could not have been expected to surrender their defense budgetary or acquisition decisions to NATO. NATO's response to this seemingly perpetual dilemma in the past has been to continually "plead" and "cajole" with member states, urging them to act; but these efforts have gone largely unheeded.[81] However, the terrorist attacks of 11 September 2001 underscored the new threats of international terrorism, and imparted a new sense of urgency to the threats involved in the proliferation of WMD; and this led the Allies to collectively reexamine their capabilities requirements. This was apparent in December 2001, when NATO foreign and defense ministers discussed Alliance capabilities to deal with the new threats to the Alliance. The Allies agreed during the spring of 2002 that at the Prague Summit they would reengage the capabilities issue. In the November 2002 Prague Summit Declaration, the Allies announced that,

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[81] This relates to a much earlier example of how NATO attempted to pressure member states to increase their capabilities. When, in 1980, General Bernard W. Rogers, then SACEUR, was asked how he attempted to get the Allies to boost their ammunition stocks, his reply was, "Cajole, plead, prod." See testimony in *Department of Defense Appropriations of 1981*, Hearings before the Defense Subcommittee of the Appropriations Committee, House of Representatives (Washington: Government Printing Office, 1980), Part 4, p. 55, quoted Thomas A. Callaghan, Jr. "Nuclear Parity Requires Conventional Parity," in David S. Yost, ed., NATO's *Strategic Options: Arms Control and Defense* (New York: Pergamon Press, 1981), p. 187.

Recalling the tragic events of 11 September 2001 and our subsequent decision to invoke Article 5 of the Washington Treaty, we have approved a comprehensive package of measures, based on NATO's Strategic Concept, to strengthen our ability to meet the challenges to the security of our forces, populations and territory, from wherever they may come.[82]

While the 1999 Strategic Concept devoted comparatively little attention to terrorism, the assessment of capabilities requirements was changed by the terrorist attacks of September 2001 and the subsequent US-led coalition operations in Afghanistan against the Taliban government and the Al Qaeda terrorists. The 2002 Prague Summit addressed the threat of terrorism and the capabilities needed to deter and fight terrorism with much greater emphasis than the 1999 Washington Summit. Some observers judged that the events since September 2001 would embolden NATO members to recommit to action on the capabilities requirements. This hope was captured in NATO's self-proclaimed catch phrase for the Prague Summit – the "Transformation Summit." It was hoped that at the summit NATO members would commit themselves to wholesale transformation, "with new members, new capabilities and new relationships with our partners."[83] As Secretary General Lord Robertson stated,

To describe NATO's Prague Summit as a "Transformation Summit" is no exaggeration. … We will give NATO a clearer profile in combating terrorism, and in responding to the challenges posed by the proliferation of weapons of mass destruction. And we will address the challenge of improving NATO's defence capabilities, with new commitments, new targets, and concrete new improvements.[84]

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[82] Prague Summit Declaration, (2002)127, 21 November 2003, par.3.

[83] Ibid., par.1.

[84] NATO Secretary General Lord Robertson speech as delivered at the EU Committee on Foreign Affairs, Brussels 8 October 2002. www.nato.int/docu/speech/2002/s021008a.htm. Accessed 7 November 2003.

At the Prague Summit, the Allies endorsed several interdependent initiatives intended to facilitate narrowing the transatlantic capabilities gap. Of these, the three most immediately important in this regard were the following:

- The Prague Capabilities Commitment (PCC)
- The NATO Response Force (NRF)
- Streamlining and reforming NATO's military command structure with a view to greater operational relevance, notably with the new Allied Command Transformation (ACT).[85]

Shortly following the Prague Summit, differing views of the prospects for the Allies to improve the capabilities necessary for power projection operations were expressed. NATO's Secretary General, Lord Robertson, said, "The tide has turned in terms of the attitude toward defense." In contrast, US Secretary of Defense Donald Rumsfeld said, "I'm never satisfied – it's genetic with me. … I'd like to see them [the NATO Allies] inject a sense of urgency." [86]

Is the PCC just another acronym change for a program -– the DCI – that has not fulfilled capability goals? Since the DCI was an *initiative*, which illustrated the core capabilities deficiencies that had accumulated during NATO's role changes in the 1990s, perhaps the *commitment* part of the PCC is intended to evoke Rumsfeld's -- and indeed America's -- wish for a sense of urgency. The United States has urged the NATO Allies to *commit* to a program of real reform in addressing deficiencies. To determine the prospects of the PCC, it is

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[85] Prague Summit Declaration, (2002)127, 21 November 2002, par 4a, 4b, & 4c.

[86] Keith B. Richburg, "Allies Alter Tune on Defense: NATO Members Vow to Spend More, but Reality Intrudes," *Washington Post,* 7 December 2002. www.washingtonpost.com/ac2/wp-dyn?pagename=article&node=&contentId=A21174-2002Dec6&notFound=true. Accessed 7 November 2003.

necessary to review the capability goals specified at the Prague Summit, how those goals have been interpreted, and what progress has been made to date in meeting them.

A.   THE PRAGUE CAPABILITIES COMMITMENT

At the Prague Summit the Allies announced that they had decided to

- Approve the Prague Capabilities Commitment (PCC) as part of the continuing Alliance effort to improve and develop new military capabilities for modern warfare in a high threat environment. Individual Allies have made firm and specific political commitments to improve their capabilities in the areas of

  - chemical, biological, radiological, and nuclear defence;
  - intelligence, surveillance, and target acquisition; air-to-ground surveillance;
  - command, control and communications;
  - combat effectiveness, including precision guided munitions and suppression of enemy air defenses;
  - strategic air and sea lift;
  - air-to-air refueling; and
  - deployable combat support and combat service units.[87]

- Create a NATO Response Force (NRF) consisting of a technologically advanced, flexible, deployable, interoperable and sustainable force including land, sea, and air elements ready to move quickly to wherever needed, as decided by the [North Atlantic] Council.

- Streamline NATO's military command arrangements…The structure will enhance the transatlantic link, result in a significant reduction in headquarters and Combined Air Operations Centres, and promote the transformation of our military capabilities. There will be two strategic commands, one operational, and one functional.[88]

The functional command initially was called the Strategic Command for Transformation and later designated the Allied Command Transformation (ACT).

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[87] Prague Summit Declaration, (2002)127, 21 November 2002, par. 4c.

[88] Ibid., par. 4b.

Although the NATO Response Force and the Allied Command Transformation objectives were listed as initiatives separate from the PCC, they are so closely related to the Prague Capabilities Commitment and its prospects that they may be considered not only part of the PCC, but essential to the PCC's success.

One significant difference between the DCI and the PCC is that the PCC is supposed to be implemented through firm national commitments in pursuing capabilities.[89] However, an aspect of similarity between the DCI and the PCC from the outset, and one of the main problems analyzed in reference to the disappointing performance of the DCI, is that neither the PCC nor the DCI published a timetable for completion of commitments.

> We will implement all aspects of our Prague Capabilities Commitment as quickly as possible. We will take the necessary steps to improve capabilities in the identified areas of continuing capability shortfalls. … We are committed to pursuing vigorously capability improvements.[90]

As with the 1999 Washington Summit's DCI, the PCC identified critical capabilities needed for expeditionary power projection operations. Under the PCC, however, the minimum requirements needed for the Allies to conduct combined expeditionary power projection operations are supposed to determine the capabilities requirements. According to Edgar Buckley, NATO's Assistant Secretary General for Defense Planning and Operations, "Unlike the DCI, which addressed 58 different capability issues, the new initiative will have a much sharper focus."[91]   Sir Timothy Garden stated that the "original 58 weaknesses

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[89] Ibid., par.4c.

[90] Ibid., par.4c.

[91] Edgar Buckley, "Attainable Targets," *NATO Review,* Autumn 2002. www.nato.int/docu/review/2002/issue3/english/art2_pr.html. Accessed 1 May 2003.

identified are to be reduced to perhaps as few as 6... by writing out much of the original work."[92] These statements suggest that some clarification of what is intended by the PCC is necessary.

Indeed, it seems that many of the 58 capability deficiency areas of the DCI were placed into broad categories, thus making it appear that the PCC has a much narrower focus. However, on closer examination, the PCC appears to have inherited the core deficiency areas highlighted by the DCI. For instance, the DCI's mobility and deployability goals are directly related to the PCC's strategic air and sealift and air-to-air refueling goals; sustainability under the DCI is directly related to the PCC's deployable combat support and combat service support units; and effective engagement under the DCI is directly tied to the PCC's combat effectiveness, precision guided munitions and suppression of enemy air defenses. In other words, the broad capability deficiency areas under the DCI have not been reduced in the PCC; none of the key power-projection expeditionary capabilities required for combined operations has been written out. However, the PCC is said to have a much narrower focus because it will rely on minimum requirements needed for Allies to conduct combined expeditionary power projection operations. Moreover, its achievement is envisioned through three new approaches, in addition to increased spending. According to the Prague Summit Declaration, these new concepts are "multinational efforts, role specialisation and reprioritisation."[93]

These three concepts are intended to enable the Allies to focus on specific aspects of the PCC, so that they can make a greater contribution to combined expeditionary operations. For instance, through multinational efforts and role specialization Allies can cooperate in addressing capability deficiencies without having to attempt acquiring all the capabilities individually. In testimony in April 2003 Ambassador Marc Grossman, Under Secretary of State for Political Affairs,

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[92] Sir Timothy Garden, "Making European Defence Work."

[93] Prague Summit Declaration, (2002)127, 21 November 2002, par. 4c.

gave examples of how multinational efforts and role specialization were envisioned at the Prague Summit and how they are being carried out.

European Allies agreed to "spend smarter," pool their resources and pursue specialization. For example:

- Germany is leading a 10-nation consortium on airlift.
- Norway leads a consortium on sealift.
- Spain leads a group on air-to-air refuelings.
- The Netherlands is taking the lead on precision guided missiles and has committed 84 million dollars to equip their F-16's with smart bombs.[94]

The "old" NATO members are envisioned as key players in implementing these new concepts, because of their economic strength and leadership. However, the newly joined and prospective members are also expected to contribute in obtaining the capabilities outlined in the PCC via multinational efforts and role specialization. Paul D. Wolfowitz, the US Deputy Secretary of Defense, and Ambassador R. Nicholas Burns, the United States Permanent Representative to NATO, highlighted this point in testimony in April 2003. As Deputy Secretary Wolfowitz noted,

> Hungary volunteered to host a training camp for Free Iraqi Forces—who are now on the ground in Iraq. Poland has joined with the United States to form a Defense Transformation Group and is one of four coalition partners with troops on the ground in Iraq. And the Czechs have deployed a chemical/biological weapons defense unit into Kuwait.[95]

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[94] Ambassador Marc Grossman testimony before the Senate Foreign Relations Committee, transcript by Federal Document Clearing House, Inc., 8 April 2003, p. 12.

[95] Wolfowitz testimony before the Senate Armed Services Committee, 10 April 2003, transcript by Federal Document Clearing House, Inc., pp. 3, 16-17.

Ambassador Burns made complementary points:

> Each of these [accession] countries has also made important political and military contributions to the security challenges we face…Romania, the largest of the invited nations, self-deployed over 400 combat troops to Afghanistan and now has a 70-strong nuclear/biological/chemical defense team on the ground in Kuwait in support of the coalition… Latvia, Lithuania and Estonia are well prepared to take up the responsibilities of NATO membership. Though small, they have worked hard for a decade to develop niche military capabilities to fill Alliance shortfalls.[96]

In addition to the above examples, multinational efforts, role specialization and reprioritization are encompassed in two other initiatives launched at the Prague Summit. Alliance efforts regarding the NATO Response Force (NRF) and the Allied Command Transformation (ACT) may heavily influence the PCC's success. The NRF will serve not only as a CJTF fighting force adapted to the post-Cold War environment, but also as a multinational force to facilitate the transformation of the Allied militaries. The ACT, as a type of hierarchal strategic coach and referee to the transformation process, is expected to ensure that money is spent more wisely on Alliance goals and capabilities.

1. NATO Response Force

The NRF is one of the few initiatives at the Prague Summit that has a published timetable for implementation. At the Prague Summit, NATO envisioned the NRF to have "initial operational capability as soon as possible, but not later than October 2004 and its full operational capability not later than October 2006."[97] However, in October 2003, a nascent NRF was stood up at Allied Forces North. (This is discussed further in section C of this Chapter.) The

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[96] Ambassador R. Nicholas Burns testimony before the Senate Armed Services Committee, 10 April 2003, transcript by Federal Document Clearing House, Inc., pp. 16-17.

[97] Prague Summit Declaration, (2002)127, 21 November 2002, par.4a.

United States envisions the NRF to be the size of two expeditionary brigades, fully supported with air and navy assets, and available on short notice.[98] The NRF goal is to develop a force with rapidly deployable military capabilities, including expeditionary air, land and sea components compatible with Combined Joint Task Force headquarters, for NATO expeditionary missions. NATO expects the NRF to bring "together elite forces from both sides of the Atlantic." According to a NATO fact sheet, "the NRF will be a technologically advanced and highly flexible force, ready to move quickly to wherever needed as decided by the NATO Council."[99]

The Chairman of NATO's Military Committee, General Harald Kujat, discussed plans for the NRF, including how the NRF could facilitate NATO's transformation and improve Alliance capabilities at Supreme Allied Command Atlantic (SACLANT), Norfolk, Virginia, in January 2003.

> The idea of a NATO Response Force (NRF) builds on the Prague Capabilities Commitment and the new NATO Command and Force Structure. Our aim is to establish a pool of Land, Air and Maritime Combat Forces to be employed under a CJTF HQ. It would be supported by NATO's collective assets, trained and equipped to common standards set by the appropriate Strategic Commander and capable of being tailored to mission. It would be readily deployable on short notice and over long distances, combat ready and technologically superior to any conceivable adversary. It will be capable of fighting in an NBC environment and self-sustainable for a certain period of time. In essence it will be a NATO Force that allows European and U.S. Forces to fight together whenever and wherever the Alliance political authorities decide to and that will set a standard for all NATO Forces in the medium and long term….The

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[98] Sir Timothy Garden, "NATO in Trouble," 14 October 2002. www.tgarden.pwp.blueyonder.co.uk/writings/articles/2002/021014twt.html. Accessed 7 November 2003.

[99] NATO Fact Sheet. "11 September – 18 Months on," 1 April 2003. www.nato.int/terrorism/factsheet.htm. Accessed 7 November 2003. The exact size of the NRF is undetermined, and because it will be task organized with different echelons of readiness, its size will be flexible.

NATO Response Force is the vehicle of choice to focus the Transformation Process as this innovation will provide NATO with a balanced weapon to fill the full range of its missions. As such, it is the common ground for all members of the Alliance and should be seen as such. But the NRF is not the end state. We must transform all of our Forces and their Capabilities.[100]

It is apparent that the Allies see the NRF as a catalyst that will facilitate improving NATO military capabilities and interoperability, by providing "joint and combined High Readiness Force able to react very quickly to crises in or beyond Alliance territory for the full range of Alliance missions," and by serving as "a mechanism for spurring NATO's continuing Transformation to meet evolving security challenges."[101] Because member states will be influenced to transform their militaries while giving their support to the NRF, NATO envisions that the NRF's advanced capabilities will make it the "vehicle of choice to focus the Transformation Process" and thereby positively influence the development of European capabilities.[102] Moreover, the NRF is expected to have a positive effect on one of the most important aspirations of the PCC -- interoperability.

2.   New Command Structure

However, perhaps the most significant initiative is not the NRF itself, but how the NRF is envisioned to be tied to the United States military transformation process and the proposed reform of NATO's command structure with the CJTF. Under the CJTF, the NRF will be structurally better positioned to conduct both Article 5 and non-Article 5 missions in the post-Cold War environment. Additionally, the NRF is expected to directly tie European capabilities with the

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[100] General Harald Kujat speech as delivered, "The Transformation of NATO's Military Forces and Its Link with US Transformation," at SACLANT's "Open Road" Seminar, Norfolk, Virginia, 21 January 2003. www.nato.int/ims/2003/s030121e.htm. Accessed 7 November 2003.

[101] Ibid.

[102] Ibid.

way the United States conducts its capability review, development and acquisition process, via the new Allied Command Transformation (ACT). As noted in the Prague Declaration,

> We have approved the Defence Ministers' report providing the outline of a leaner, more efficient, effective and deployable command structure, with a view to meeting the operational requirements for the full range of Alliance missions. It is based on the agreed Minimum Military Requirements document for the Alliance's command arrangements. The structure will enhance the transatlantic link, result in a significant reduction in headquarters and Combined Air Operations Centres, and promote the transformation of our military capabilities. There will be two strategic commands, one operational, and one functional. The strategic command for Operations, headquartered in Europe (Belgium), will be supported by two Joint Force Commands able to generate a land-based Combined Joint Task Force (CJTF) headquarters and a robust but more limited standing joint headquarters from which a sea-based CJTF headquarters capability can be drawn. There will also be land, sea and air components. The strategic command for Transformation, headquartered in the United States, and with a presence in Europe, will be responsible for the continuing transformation of military capabilities and for the promotion of interoperability of Alliance forces, in cooperation with the Allied Command Operations as appropriate.[103]

The Virginia Pilot helped to clarify the ACT's mission and what it is expected to accomplish.

> The first and only NATO headquarters on U.S. soil, Norfolk-based SACLANT will for now be called Allied Command for Transformation, or ACT. Its primary mission will be to help NATO members improve their military technology. ... The Norfolk command will no longer be an operational command. That responsibility will go solely to NATO's European command, known as Supreme Allied Command Europe, or SACEUR. ... The command in Norfolk will be heavily involved in the education, training and

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[103] Prague Summit Declaration, (2002)127, 21 November 2002, par. 4b.

integration of NATO's militaries as they transform and modernize.[104]

In an interview in May 2003, General James L. Jones, SACEUR, provided more insight regarding how NATO transformation will be pursued, and what role ACT will have in the process of improving Alliance capabilities.

Q: Sir, the issue of transformation is often in the news. And it seems a central issue …in the process is redefining the roles of the two higher headquarters: SHAPE here in Belgium and SACLANT in North Virginia. Would you please describe your role in the transformation process and tell us how transformation is expected to improve NATO's capability.

General Jones: Well first, may I suggest a very brief definition of what transformation, at least in my understanding, includes, and to me it includes … acquisition reform, better business practices, operational concepts, institutional reforms, and harnessing new technologies. …With regard to NATO and your question concerning transformation we will very shortly stand up the Allied Command for Transformation and my job description will be to command Allied Command for Operations. I think this is going to be ... an extremely good change because the operational context of NATO will be clearly defined, and centred in one command. And the training and transformation responsibilities will be clearly defined and centred in the second command. …I think it will foster … a new way of doing things that will certainly have more efficiencies, and in the end what we care about the most, much more capability.[105]

The ACT is expected to help the European Allies work with the United States in acquiring necessary capabilities. It is apparent that the purposes of streamlining NATO commands include adapting the NRF to the CJTF concept and establishing a command that is tied closely to the United States force

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[104] Jack Dorsey, "NATO shifts gears in Norfolk," *The Virginia Pilot Online.* 27 November 2002. May be found via the *Virginia Pilot's* archive service at http://welcome.hamptonroads.com/archives/. Accessed 6 November 2003.

[105] Video Interview with General James L. Jones, SACEUR, Supreme Headquarters Allied Powers Europe, 2 May 2003. www.nato.int/shape/opinions/2003/s030502a.htm. Accessed 14 November 2003.

transformation process. Jane's Defence Weekly highlighted the importance of this link when it surmised that the ACT will be closely linked to the US Joint Forces Command (USJFCOM), which has been a key proponent of the United States military transformation. Admiral Ian Forbes, British Royal Navy, outgoing and last commander of Supreme Allied Command Atlantic (SACLANT), commented that he saw the ACT as acting as a "forcing agent," by providing the enforcement mechanism to keep NATO transformation on the right path.[106]

B.   HOW THE PCC DIFFERS FROM THE DCI

The PCC, therefore, differs from the DCI not in identifying capability gaps -- those gaps are largely carried over from the DCI -- but in offering innovative approaches to achieve its ends. The PCC, the NRF and the ACT are seen as key interdependent programs in the process, although each is important in its own right. Multinational efforts, role specialization, and reprioritization, are envisioned to facilitate meeting the minimum requirements of the PCC. However, while taking into account the realities of limited European defense budgets, the Allies noted in the Prague Summit Declaration that "in many cases additional financial resources will be required, subject as appropriate to parliamentary approval."[107]

Dr. Edgar Buckley, NATO's Assistant Secretary General for Defence Planning and Operations, stated that a key difference of the PCC is that the High Level Steering Group will regularly meet, taking input from the Strategic Commanders (SACEUR and SACLANT), refine shortfall lists, and ask specific Allies to commit to specific improvements rather than ask the Alliance to collectively pursue all capabilities. This is what Dr. Buckley views as an "enforcement

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[106] Admiral Ian Forbes quoted in Kim Burger, "NATO Moves to Transform Forces and Capabilities," *Jane's Defence Weekly,* 29 January 2003.

[107] Prague Summit Declaration, (2002)127, 21 November 2002, par.4c.

mechanism" in the PCC: pledges will be made by each Ally, and reviews will be conducted so that peer pressure will help act as an enforcer to the PCC.[108] However, with the so-called "enforcement mechanism" enshrined in the PCC, Dr. Buckley was asked how the Alliance can guarantee that the PCC will be more successful than the DCI in improving capabilities.

> Q: How can NATO guarantee that the Prague Capabilities Commitment will be more successful than its predecessor?
>
> Buckley: A good question. We can't. We can't guarantee it. All we can do is to invite the Heads of State and Government, as we have done, to make firm political commitments that their governments will improve the capabilities. We can then monitor it and where we see any divergence from what's been promised, committed, then we will draw attention to the Heads of State and Government concerned. I'm confident that this is going to be a solid mechanism for producing the turnaround in this area that we need.[109]

To see what difference the PCC will make towards improving the European Allies' military capabilities, progress in each of the Prague Summit goals relating to the PCC, the NRF, and the ACT must be evaluated. The participation of the Allies in multinational projects, role specialization and reprioritization must also be measured to assess to what degree these approaches are influencing acquisitions of new capabilities. The goals, milestones and approaches laid out by the PCC will be used as performance indicators to measure its achievements and to analyze its prospects.

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[108] Edgar Buckley, "Attainable Targets."

[109] Video Interview with Dr. Edgar Buckley, NATO Assistant Secretary General for Defence Planning and Operations, NATO HQ, Brussels, 6 December 2002. www.nato.int/docu/speech/2002/s021206a.htm. Accessed 13 May 2003.

C. ACHIEVEMENTS SINCE THE PRAGUE SUMMIT

Even though the PCC has had only a year since its inception in November 2002, it is important to evaluate its progress by observing what has been accomplished thus far. Significant milestones as well as progress toward the stated goals are key indicators in this examination. In June 2003, the North Atlantic Council formally stated that it envisions Alliance capabilities centered around three pillars – streamlined commands, the NATO Response Force, and the Prague Capabilities Commitment.[110] Though implied earlier in the Prague Summit Declaration, this formal acknowledgement helps to demonstrate the importance of these initiatives to NATO. It recognizes that acquiring Alliance capabilities through the PCC will be heavily influenced by the successful implementation of the NRF and the streamlined command structure.

1. NATO's New Command Structure

NATO intends to streamline its command structure in order to meet the threats of the post-Cold War era. This aspiration was given a sense of urgency by the terrorist attacks against the United States in September 2001, because NATO was seen as too slow and cumbersome to address rapidly emerging asymmetric threats.[111] The timetable for final decisions with regard to the makeup of the newly proposed command structures, such as Allied Command Transformation (ACT) and Allied Command Operations (ACO), was outlined at the Prague Summit in November 2002. In June 2003, sweeping and significant command changes took place. The North Atlantic Council announced that the new streamlined command structure "will be leaner, more flexible, more

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[110] NATO, "Statement on Capabilities issued by the North Atlantic Council," Press Release (2003)66, 12 June 2003, par.1. www.nato.int/docu/pr/2003/p03-066e.htm. Accessed 10 July 2003.

[111] Prague Summit Declaration, (2002)127, 21 November 2002, par. 3-4.

efficient, and better able to conduct future military operations."[112] The changes approved constitute the most significant command revisions in the history of the Alliance.[113]

- The number of NATO headquarters has been reduced from 20 to 11.
- Two strategic commands have been established:
  - Allied Command Europe has become Allied Command Operations
    - It is comprised of standing land-based and a standing sea-based CJTF headquarters.
    - Sub commands at Brunssum, Naples, and Lisbon have become joint force commands with their own sub component commands.

  - Allied Command Atlantic has become Allied Command Transformation.
    - The Allied Command Transformation is commanded by the same Flag Officer who commands the U.S. Joint Forces Command.
    - Allied Command Transformation has a European link via liaisons and proposed joint warfare training centers to be established in Norway and Poland.[114]

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[112] NATO, "Statement on Capabilities issued by the North Atlantic Council," Press Release (2003)66, 12 June 2003, par. 3.

[113] Jim Garamore, NATO Ministers Okay Sweeping Command Changes, *American Forces Press Service*, 12 June 2003. Available at www.jfcom.mil/newslink/storyarchive/2003/no061203.htm. Accessed 8 November 2003.

[114] Ibid.

Allied Command Operations. The guidance for completion of these command changes was directed by the NATO ministers to "be implemented as rapidly as possible," with the Defense Planning Committee requesting that NATO Military Authorities report to the North Atlantic Council in December 2003 with a progress report.[115]   However, the new command framework seems to have already been utilized under the ACO when, in April 2003, the North Atlantic Council agreed to a request by the UN to take over the ISAF mission in Afghanistan.

In June 2003, Secretary General Lord Robertson stated, "NATO has picked up the responsibility for the long-term future of the international stabilisation assistance force in Kabul."[116]   In June 2003, NATO began sending forces under CJTF regional and component commands to ISAF.   The Alliance assumed full command of ISAF on 11 August 2003.[117]   NATO's Commander-in-Chief, Regional Headquarters Allied Forces North Europe, Brunssum, the Netherlands, General Sir Jack Deverell, has operational command of ISAF,[118] with the land component commander, General Goetz Gliemeroth, German Army, coming from NATO's sub-command in Heidelberg, Germany. NATO observed that transferring command of ISAF to NATO gives continuity to ISAF because NATO will "provide a continuing headquarters, force commander, strategic co-ordination, command and control, and political direction, delivering a much more sustainable security presence in Kabul."[119]   At the time of this writing, Lord Robertson advised the UN Secretary General that the North Atlantic Council had "approved a set of

[115] NATO Ministerial meeting of the Defence Planning Group, "Final Communiqué,"(2000)64, NATO HQ, 12 June 2003, par.5. www.nato.int/docu/pr/2003/p03-064e.htm. Accessed 8 November 2003.

[116] NATO Update, "Afghan Foreign Minister Visits NATO," 16 June 2003. www.nato.int/docu/update/2003/07-july/e0716a.htm. Accessed 14 November 2003.

[117] Supreme Headquarters Allied Powers Europe, "NATO Starts Deploying First Troops to Kabul," 4 July 2003. www.nato.int/shape/news/2003/07/i030704a.htm. Accessed 14 November 2003.

[118] NATO Update, "NATO Takes on Afghanistan Mission," 11 August 2003. www.nato.int/docu/update/2003/08-august/e0811a.htm. Accessed 11 September 2003.

[119] NATO Update, "NATO up and running in Afghanistan," 20 August 2003. www.nato.int/docu/update/2003/08-august/e0820a.htm. Accessed 11 September 2003.

preliminary decisions related to a possible expansion of NATO's ISAF mission."[120] The US Mission to the European Union stated that NATO "countries were prepared to contribute additional troops to the mission."[121] The UN sanctioned this on 13 October 2003, when the UN "authorized the Member States participating in the security assistance force to take all necessary measures to fulfill its mandate."[122] This development has the potential of greatly expanding ISAF and thus NATO's responsibility for the long-term success of Afghanistan.

NATO's willingness and ability to take charge of the ISAF mission -- "the first operation outside Europe in the Alliance's 54-year history"[123] -- reflect the fact that the Alliance is already beginning to reap the benefits of a streamlined command structure. The major command revisions enhance the Alliance's ability to stand up a flexible task-organized force at short notice, and to project power and conduct expeditionary operations. These are the hallmarks of CJTFs. The United States has been successful in utilizing CJTFs to conduct its own expeditionary operations. This is the operational warfighting aspect of the NATO command changes. The other major command changes, of course, were the functional adjustments implicit in the establishment of the Allied Command Transformation.

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[120] United Nations Press release, "Security Council Seeks Expansion of Role of International Effort in Afghanistan, to Extend Beyond Kabul," SC/7894, 13 October 2003, http://www.un.org/News/Press/docs/2003/sc7894.doc.htm. Accessed 4 November 2003.

[121] Judy Aita, "NATO Peacekeepers Authorized by U.N. to Move Beyond Kabul," 13 October 2003. www.useu.be/Categories/GlobalAffairs/Afghanistan%20Future/Oct1303NATOKabul.html. Accessed 6 November 2003.

[122] UN Press release, "Security Council Seeks Expansion of Role of International Effort in Afghanistan, to Extend Beyond Kabul," SC/7894, 13 October 2003.

[123] NATO Update, "Preparations for Afghanistan," 12 June 2003. www.nato.int/docu/update/2003/07-july/e0714a.htm. Accessed 14 November 2003.

Allied Command Transformation. On 19 June 2003, the Allied Command Atlantic was decommissioned and the Allied Command Transformation (ACT) was established. Upon assuming command of the ACT, Admiral Edmund P. Giambastiani, USN, reflected on the importance of the new command to addressing goals set out in the Prague Summit Declaration. "Simply put, our job is not only to oversee the transformation of NATO's capabilities, but also to spend every day instigating that transformation."[124]

In an interview at NATO HQ, Admiral Giambastiani discussed the importance of the ACT, notably in view of its close relationship with USJFCOM.

> I think there's a very good synergy bringing these two organizations together and the way we've done it. Essentially, Joint Forces Command is a functional command. It worries about transformation in the United States' sense and Allied Command Transformation has similar responsibilities now for the NATO Alliance. Being dual-hatted in this role and having the staffs co-located and working together, I think will bring great power to the Alliance and also will bring great benefit to the United States. So I think that having both of these commands working day-to-day together will be a significant windfall for both the United States and for the NATO Alliance.[125]

Admiral Giambastiani holds that one of the most immediate priorities for the ACT is to help stand up the NATO Response Force. He commented that the ACT is "a directive to in fact improve overall military capabilities through **a** transforming process."[126] He noted that "transformation is NOT just about

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[124] Admiral Giambastiani quoted in Christine Mahoney, "Allied Command Transformation Launches New Era for NATO," 19 June 2003. www.jfcom.mil/newslink/storyarchive/2003/no061903.htm. Accessed 7 November 2003.

[125] Video Interview as recorded with Admiral Edmund P. Giambastiani, Jr., US Navy, Supreme Allied Commander Transformation, NATO HQ, 13 June 2003. www.nato.int/docu/speech/2003/s030613z.htm. Accessed 7 November 2003.

[126] Ibid.

technology or platforms," but observed that changing the "intellectual infrastructure" of NATO in the areas of "enhanced training programs; path breaking concept development and experimentation; effective programs to capture and implement lessons learned; and, common interoperability standards" were as important as well.[127]

US officials were apparently pleased by the consensus regarding the sweeping changes and reportedly said that "the changes finally configure NATO to fight the war on terror and not on its old nemesis, the Soviet Union."[128] Additionally, NATO Defense Ministers recognize the benefits of the new command structure for improving capabilities because it "will be more effective, and is expected to yield cost and manpower savings which can be channelled to addressing existing Alliance shortfalls."[129] This aspect had been illustrated by General James Jones, USMC, then SACEUR, in May 2003, when he stated that the European and Canadian links to the ACT would foster "a new way of doing things that will certainly have more efficiencies, and in the end what we care about the most, much more capability.[130]

Admiral Giambastiani reflected that not only are the major changes to NATO's command structure profound, but the time frame in which they have occurred speaks to NATO's relevance and staying power.

> We've had one significant command structure change that has occurred over these 50 plus years. That command structure change

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[127] Remarks of Admiral Edmund P. Giambastiani, Jr., Supreme Allied Commander Transformation and Commander, US Joint Forces Command at Allied Command Transformation establishment ceremony. 19 June 2003. Capitalization in the original. www.jfcom.mil/newslink/storyarchive/2003/pa061903.htm. Accessed 11 September 2003.

[128] Anonymous US officials quoted in indirect discourse in Jim Garamore, "NATO Ministers Okay Sweeping Command Changes," *American Forces Press Service.* 12 June 2003. Available at www.jfcom.mil/newslink/storyarchive/2003/no061203.htm. Accessed 8 July 2003.

[129] NATO, "Defence Planning Committee Final Communiqué," Press Release (2000)64, 12 June 2003, par.5.

[130] Video Interview with General James L. Jones, USMC, (SACEUR) at Supreme Headquarters Allied Powers Europe, 2 May 2003. www.nato.int/shape/opinions/2003/s030502a.htm. Accessed 13 May 2003.

took four and a half years to execute. … What I think is significant about that is that we've done it in eight months, number one. That's not lost on anyone; it's given a great vibrancy and energy to NATO and it provides an organization that thinks about, spends every day worrying about how to provide additional combat capability and capability overall to the NATO Alliance and how it supports the Allied Command Operations and how it does business every day.[131]

2. NATO Response Force

The NATO Defense Ministers in June 2003 also approved "plans for a robust, rapidly deployable NATO Response Force."[132] While the initial concept was proposed at the 2002 Prague Summit, the Defense Ministers in June 2003 approved a "comprehensive concept"[133] for the makeup of the NRF, with an early initial operational capability expected to be ready earlier than October 2004, the date originally envisioned in the Prague Summit Declaration.

This will be a robust rapid reaction fighting force that can be quickly deployed anywhere in the world. It could have an early operational capability by autumn this year said NATO Secretary General Lord Robertson.[134]

As already mentioned in Section C1 of this Chapter, a nascent NRF was in fact stood up on 13 October 2003. A statement by the North Atlantic Council on 12 June 2003 reaffirmed many of the same aspirations about the NRF: it will be expeditionary; it could be used for non-Article 5 as well as Article 5 missions;[135] it will be a multinational force comprised of the best forces; and its capabilities

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[131] Video Interview with Admiral Edmund P. Giambastiani, Jr., NATO HQ, 13 June 2003.

[132] NATO Update, New Command Structure and Capabilities for NATO. 12-13 June 2003. www.nato.int/docu/update/2003/06-june/e0612a.htm. Accessed 14 November 2003.

[133] NATO Press Release, Statement on Capabilities issued by the North Atlantic Council, Press Release (2003)66, 12 June 2003, par.2.

[134] NATO Update, "New Command Structure and Capabilities for NATO," 12-13 June 2003.

[135] NATO, "Statement on Capabilities issued by the North Atlantic Council," Press Release (2003)66, 12 June 2003, par.2.

may enhance NATO's other capabilities as its state-of-the art equipment -- which participants will be expected to acquire to participate in the NRF -- is transferred to individual member states' militaries.

As to the size of the NRF, Admiral Rainer Feist, German Navy, Deputy Supreme Allied Commander Europe, commented, "We can't talk about definite numbers and figures at this point, but with the great enthusiasm of NATO nations we will be able to meet the challenging deadline to stand up an initial, credible force."[136] However, the *New York Times* reported that the NRF could include approximately 25,000 personnel, with a rapid response element of probably less than 6,000, and deployable in seven to 30 days.[137]

The SACEUR posting following the 2002 Prague Summit is significant. General James L. Jones is the first US Marine to have held the post in NATO history. Some observers have expressed the opinion that US Defense Secretary Donald Rumsfeld nominated Jones to serve as SACEUR in order to have a reformer lead the profound transformation that NATO requires, and to lead the continuing reform of European-based US forces.[138] Jones' assignment could be critical in this regard. In his previous tenure as Commandant of the US Marine Corps, Jones was responsible for its readiness and expeditionary capability. The Marine Corps, widely considered a premier expeditionary force, performed well as the first conventional force to invade Afghanistan. By projecting amphibious power over 400 miles inland to secure an austere airstrip in Afghanistan, and by subsequently taking the Taliban stronghold at Kandahar, the US Marines contributed substantially to the Taliban's defeat in 2001. The US Marines also worked closely with US Special Operation Command and special operation forces

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[136] "NATO Plans Early Start-Up of New Force," 17 July 2003, *Reuters.* Available in archives at www.nytimes.com/2003/07/17/international/europe/17NATO.html?ex=1067749200&en=33daba34c86419c9&ei=5070. Accessed 14 November 2003.

[137] Ibid.

[138] Brian Whitmore, "Commander Of US Forces in Europe Right Marine For Job," *Boston Globe,* 3 August 2003.

in supporting OEF. With the SACEUR posting, Jones is in a unique position to stand up the NATO Response Force, which will have characteristics and capabilities similar to those of Marine Expeditionary Units and Marine Expeditionary Brigades.

3.   The PCC

Evidence of progress on PCC-specific items can be garnered from milestones in April 2003 and statements from NATO in June 2003. As noted earlier, Ambassador Marc Grossman, Under Secretary of State for Political Affairs, in April 2003 gave examples of how multinational efforts, role specialization and reprioritization are beginning to show results.

> European Allies agreed to "spend smarter," pool their resources and pursue specialization. For example:
>
> - Germany is leading a 10-nation consortium on airlift.
> - Norway leads a consortium on sealift.
> - Spain leads a group on air-to-air refuelings.
> - The Netherlands is taking the lead on precision guided missiles and has committed 84 million dollars to equip their F-16's with smart bombs.[139]

These initiatives were also coupled with concrete examples of how some of the smaller and new Allies are contributing niche assets to enhance Alliance capabilities. Additionally, in testimony Ambassador R. Nicholas Burns, the US Permanent Representative to the North Atlantic Council, stated in April 2003, "In recent months, Allies have begun implementing Prague decisions, pooling their

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[139] Ambassador Marc Grossman testimony before the Senate Foreign Relations Committee, 8 April 2003, p. 12.

resources by establishing a number of multinational consortiums aimed at acquiring these capabilities."[140]

A report from the June 2003 meeting in Brussels summarized the positive steps toward narrowing the capabilities gap that have been taken since the Prague Summit.

> Ministers also reviewed the progress achieved in improving the Alliance's operational capabilities, the Prague Capabilities Commitment. In a special ceremony, several nations signed up to two multinational projects designed to give NATO key air and sealift capabilities.[141]

In a separate announcement on capabilities, the NAC stated that "There has been significant progress,"[142] and further reviewed the steps taken since the Prague Summit.

> We are encouraged by nations' efforts to incorporate their commitments into national plans and their willingness to provide necessary funding. We are also encouraged by progress in some of the important multinational projects agreed at Prague, notably the work on strategic sealift, strategic airlift and air-to-air refuelling, and welcome the signing of letters of intent for strategic sea-lift and air-lift, which took place today.[143]

These statements reflect the continuing progress the Alliance has made in acquiring key power-projection capabilities. However, within the same

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[140] Ambassador R. Nicholas Burns testimony before the Senate Foreign Relations Committee, 8 April 2003, p. 19.

[141] NATO Update, "New Command Structure and Capabilities for NATO," 12-13 June 2003. www.nato.int/docu/update/2003/06-june/e0612a.htm. Accessed 14 November 2003.

[142] NATO, "Statement on Capabilities issued by the North Atlantic Council," Press Release (2003)66, 12 June 2003, par.4.

[143] Ibid., par. 4.

paragraph of the June 2003 "Statement on Capabilities issued by the North Atlantic Council," language similar to that used when the DCI was beginning to stall can be seen.

> But we are conscious too that much remains to be done. It is clear that additional energy and, in some cases, subject to affordability, resources will be necessary if we are to provide all the defence capabilities we need. More focus will also be needed on the possibilities of multinational role sharing and role specialisation. We emphasise the importance of those capabilities that can improve the effectiveness and interoperability of our forces.[144]

These comments are similar to the pleas in 1999-2002 to keep the DCI on track – urging Allies to spend more money, and to spend it more wisely. It appears that the PCC may be facing the same long-standing problems as were faced by the DCI.

4.   Other Developments

Missile Defense.   A NATO press release in June 2003 stated that a "major funding hurdle" had been cleared to support an examination of "protecting Alliance territory, forces, and populations centres against the full range of missile threats." The funding has been approved for the study, which will be initiated in October 2003. Funding will be derived from the NATO Security Investment Programme (NSIP). The goal of the missile defense feasibility study is to clarify prospects for capabilities that would complement a NATO Active Layered Theatre Ballistic Missile Defense (ALTBMD) capability.[145]

Nuclear, Biological and Chemical Defense. At the Prague Summit, NATO launched three "blocks" of initiatives to counter the proliferation of

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[144] Ibid., par. 4.

[145] NATO, "NATO Missile Defense Advances," Press Release (2003)069, 12 June 2003. www.nato.int/docu/pr/2003/p03-069e.htm. Accessed 14 November 2003.

weapons of mass destruction. Ted Whiteside, Head of NATO's Weapons of Mass Destruction (WMD) Center, summarized these initiatives in May 2003.

> The first is to examine options for addressing the increasing threat of missile proliferation and the threat this constitutes to Alliance territories, populations and forces. …This will be a long-term process. …The second initiative is in the area of defence against nuclear, biological, chemical, [and] radiological weapons….The third block of initiatives at Prague was to endorse the implementation of the civil emergency plan of action for this particular threat and … to share national assets across NATO and with partners.[146]

Whiteside acknowledged that NATO had addressed WMD in the past, but said that now NATO is "looking at a much broader architecture," and stated that the new WMD initiatives are "much more robust, much more focused."[147] When asked how these new initiatives would affect Alliance capabilities, Whiteside stated that NATO would be capable of deploying the defensive

> assets already late in the fall of 2003. So in a very short period of time, there will be assets brought together, since November 2002, and which will be deployable. Now, it remains to be seen what shape these deployments are actually going to take, but these are very pragmatic steps to arrive at these capabilities.[148]

D.   ROLE OF NATO'S MILITARY COMMITTEE

In May 2003, General Harald Kujat, Chairman of NATO's Military Committee, described how the Military Committee represents "all national views at the highest level,"[149] and serves as the primary interface between the political

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[146] Interview with Ted Whiteside, Head of NATO's Weapons of Mass Destruction (WMD) Center. NATO HQ, 22 May 2003. www.nato.int/docu/speech/2003/s030522b.htm. Accessed 19 July 2003.

[147] Ibid.

[148] Ibid.

[149] Interview with General Harald Kujat, Chairman of the Military Committee, NATO HQ, 16 May 2003. www.nato.int/docu/speech/2003/s030515c.htm. Accessed 19 July 2003.

and military sides of NATO. Kujat also outlined the Military Committee's responsibility under the new command arrangement.

> [T]he primary task, the primary responsibility of the Military Committee is to give advice to the political side, to the Council, be it the Council of Permanent Representatives or Defence ministers or Heads of States and Government. So that's our responsibility into one direction. Our other responsibility is to overlook the work of the two strategic commanders, give strategic guidance to them, instructions to them, and of course, in one sentence, to harmonize the national military views at the highest military level in both direction, the political side and down, so to say, the command structure.[150]

The Military Committee will be instrumental to the three pillars – streamlined commands, NRF and PCC –- in improving NATO capabilities. General Kujat considers the role of the Military Committee Chairman crucial to the process of transforming NATO military capabilities, notably by encouraging the governments of NATO nations to spend the right amount of money on the right projects.

> What he needs to do is to harmonize these different views in a way that it strengthens the Alliance as a whole … to make this Alliance more effective, more relevant, [and] better prepared for the future. And to achieve some kind of a synergy effect out of the contributions of all individual nations. Because all nations have something that they could contribute to this Alliance and for a better future of this Alliance.[151]

Multinational Funding
In 2003 NATO established the Defense Investment Division to replace the previous entity Defense Support Division. The reason for this change was to

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[150] Ibid.

[151] Ibid.

streamline the budgeting process – to put the NATO staffing experts and budget experts under one roof. Robert Gregory Bell, the Alliance's Assistant Secretary General for Defence Investment, explained the rationale in June 2003.

> The idea is to bring together in one division the policy planning expertise in certain key areas, like armaments and command and control, air defence, air space management, to bring that staff expertise together with the budget expertise at NATO. So that when you plan programs the people who have the ideas about the program talk to the people that tell them what the budget realities are, and the people that are doing the budgeting can talk to the people who have the vision about where the program is headed. So there's a real synergy, I believe, involved in bringing these two functions together in one division.[152]

The Defense Investment Division will have"co-responsibility," along with the Defense Plans Division, according to Bell, "to deliver on the capabilities front." Bell expects his Division to play a vital role in supporting and remaining engaged in the efforts of Allies such as Germany, Norway and Spain, as they take the lead in heading consortiums to acquire strategic capabilities. The Defense Investment Division will have the responsibility to brief the NAC every three weeks about efforts to acquire new capabilities.[153]

The many capabilities-related steps by NATO in June 2003 were notable. Several profound changes have been initiated by the Alliance -- above all, the streamlining of NATO commands and the standing up of the NRF. Additionally, NATO's willingness to take over the ISAF mission in Afghanistan, and possibly expand it, shows the Alliance's relevance to current challenges. The Alliance during the 1990s undertook a series of non-Article 5 missions to deal with post-

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[152] Interview with Robert Gregory Bell, Assistant Secretary General for Defence Investment, NATO HQ, 25 June 2003. www.nato.int/docu/speech/2003/s030625b.htm. Accessed 19 July 2003.

[153] Ibid.

Cold War security challenges, but the ISAF mission is the most geographically distant to date.

However, as noted above, the language in the NATO statements in June 2003 suggests that achievements in acquiring new capabilities so far have been limited. When lacking tangible results, NATO has historically pointed to progress being made, but has acknowledged that much work remains to be done. Additionally, NATO has in the past often routinely pushed progress reports and milestones into the future, as highlighted by the Defense Planning Committee's statement about reviewing how the Defence Review Committee and the ACT will help NATO develop improved capabilities:

> We look forward to reviewing progress in this work at our meeting in December 2003 where we will, if necessary, issue additional guidance, and to receiving a final report, with recommendations, at our Spring meeting in 2004.[154]

Although the Alliance's efforts to transform its forces and to acquire improved capabilities are far from complete, there have been significant milestones to formulate preliminary and tentative judgments about the PCC's prospects. Chapter 4 analyzes why the DCI failed and assesses the PCC's prospects. The key question is whether the changes made under the Prague Summit regime will help narrow the capabilities gap.

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[154] NATO, "Defence Planning Committee Final Communiqué," Press Release (2000)64, 12 June 2003, par.9.

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IV.   ANALYSIS

The Allies at the 1999 Washington Summit described in broad and comprehensive terms the capabilities that the Alliance needed to acquire in order to be able to conduct its new missions effectively and cohesively. Although some limited but ultimately disappointing progress was made prior to 11 September 2001, there was renewed hope following the terrorist attacks that the Alliance would be reinvigorated with purpose, and make substantial progress in addressing the transatlantic capabilities gap. However, these hopes were soon dashed, as noted in Chapter II. Many reasons have been suggested to explain the DCI's disappointing results. The 2001-2 House of Commons report properly highlighted the lack of effort in addressing DCI shortfalls, when it concluded that "it is not just a question of the amount which is spent, but how it is spent."[155] However, while insufficient defense spending and procurement are the manifestations of key underlying factors that hampered the DCI from its inception, other shortfalls **--** in accountability and enforcement, technology transfers and defense industry cooperation, and multinational agreements -- also contributed to the DCI's inadequate progress. Allied perceptions of their interests and US engagement are key factors that will determine whether the capabilities gap will be narrowed under the PCC.

A.   WHY THE DCI FAILED

Starting Point, Past and Future Roles
Although most of the European Allies and the United States began cutting defense spending with the decline of the Soviet threat in the late 1980s, US military capabilities in relation to those of the European Allies increased.   This

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[155] House of Commons Defence Committee, *The Future of NATO* - Seventh Report of Session 2001-2002, par.140.

was due to several reasons. For example, the United States had enormous power projection capabilities through its leadership role during the Cold War. These capabilities remained following the fall of the Iron Curtain, and covered the full range of expeditionary power projection capabilities. As equipment became obsolete, American procurement continued acquisition of follow-on power projection capabilities. In contrast, most of the European NATO members had never had an autonomous power-projection capability because of their high dependence on the United States during the Cold War and their focus on static territorial defense.[156]   As a result, what NATO spent on capabilities (except, for instance, the commonly funded NATO AWACs) was driven by what individual member states contributed to their own capabilities.

The severity of the capability gap depended on one's analytical perspective. US military capabilities continued to move ahead of the NATO European capabilities owing in part to a lack of perceived threat among the European Allies following the end of the Cold War, which affected defense spending and procurement. Iain Duncan Smith, a British Conservative party leader, offered the following judgment in November 1999, during a brief to the US House of Representatives:

> [M]any questioned the value of the Alliance in the new world order. It had become easy for the international community to become complacent and defence slid down many national agendas and defence budgets were cut in the absence of easily identifiable threats to international security. This process, for most leading European nations continues. [157]

The decline in defense budgets was reflected in NATO defense spending data, which highlighted aggregate amounts of resources that were available to

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[156] Celeste Wallander, "Institutional Assets and Adaptability: NATO After the Cold War," *International Organization,* Autumn 2000, pp. 705-35.

[157] Iain Duncan Smith "European Common Foreign, Security and Defense Policies – Implications for the United States and the Atlantic Alliance."

address the DCI priorities.[158]   Following the September 2001 terrorist attacks and the increase in US defense spending,[159] some observers might have thought that the European Allies would do the same, but many of the European Allies seem even more concerned to shore up static homeland defenses than to invest in power projection.   NATO European defense spending in constant prices averaged 2.0 to 1.9 percent of GDP in 1998-2002. For NATO North America, defense spending as a percentage of GDP in constant prices dropped from 3.0 to 2.9 from 1998 to 1999, remained at 2.9 percent of GDP in 1999, 2000 and 2001, and then rose to 3.2 in 2002.[160]   In addition to the aggregate defense spending gap as a percentage of GDP, the United States spent approximately five times as much as the European Allies on research and development.[161]

These factors are important reasons why the European Allies' aggregate defense spending was only 60% of that of the United States in 2000. However, owing to various inefficiencies, European Allies are estimated to procure only 10% of the capabilities of the United States.[162]   This demonstrates that aggregate defense spending is only one aspect of the problem; another major aspect is how the money is spent in terms of procurement.

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[158] Budget allocations assigned to address the DCI deficiencies are not easy to track, because budgets are not specifically assigned to the DCI deficiencies. For instance, with regards to NATO budget data, "expenditures for research and development are included in equipment expenditures and pensions paid to retirees in personnel expenditures." This ambiguity does not lend itself well to transparency. See NATO, "Financial and Economic Data Relating to NATO Defence," Press Release M-DPC-2 (2002)139, Tables 1-6.

[159] The United States increased their defense budget in 2001 to $329 billion dollars. Here are the estimates for the next five years: •2002: $351bn •2003: $396bn •2004: $405bn •2005: $426bn •2006: $447bn •2007: $470bn. Frans Osinga, Dutch Officer presentation at the Naval Postgraduate School, Montery, CA. December 2002, titled European Defense, 911 & The American Way of War.

[160] NATO, "Financial and Economic Data Relating to NATO Defence," Press Release M-DPC-2 (2002)139, Tables 1-6.

[161] House of Commons Defence Committee, *The Future of NATO* - Seventh Report of Session 2001-02, par.138.

[162] François Heisbourg. "Emerging European Power Projection Capabilities," Paper presented at the Joint Rand and GCSP Workshop, NATO's New Strategic Concept and Peripheral Contingencies: The Middle East, Geneva, July 15-16, 1999.

Procurement

There is a wide disparity in spending by the Allies on defense equipment. For example, whereas Germany, Italy and United Kingdom spent 12.6%, 13.2%, and 24.7% respectively of their defense expenditures on equipment in 2000-2002, the United States spent 24.2% per year over the same period.[163] Moreover, *The Military Balance* described a European weapons procurement process with systemic cost over-runs, delays, under funding and under performance.[164] Iain Duncan Smith has observed that, even though the European NATO members are deficient in strategic lift capability, "politics too often outweighs the military rationale" when procuring a capability.

> For in the face of these clear and growing threats… Europe seems to be choosing military politics over military potency, there is an agenda which is being advanced in Europe, regardless of the threat. The German Government has even suggested (Financial Times 1.11.99) that a joint air transport command could be established so that European air transport assets could be pooled. However these ideas seem to be driven by German recognition that its budget is falling. … [T]he German government's announcement made no reference to possible acquisition of a US built aircraft. It was evident that the Europeans preferred to talk about a not yet built European aircraft, or a Russian aircraft with limited capability, rather than consider turning to the US to meet this urgently needed heavy lift requirement. Germany's announcement came in the wake of an austerity package … which will cut about £6.2bn from the defence budget over the next four years. …
>
> Intriguingly, the new British Defence Secretary Geoff Hoon asserted in the London *Times* of 29 October [1999] that the IISS's assessment of the cost of augmenting European defence was "exaggerated", implying that expenditure would not have to rise significantly. …

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[163] NATO, "Financial and Economic Data Relating to NATO Defence," Press Release M-DPC-2 (2002)139, Tables 1-6.

[164] The International Institute for Strategic Studies, *The Military Balance 1999-2000,* pp. 35-6.

[I]t is possible that European nations see European defence integration as a vehicle for masking further cuts in defence spending. …[U]nless the nations of Europe are prepared to spend more and spend wisely, then all talk about NATO and European defence collapses into meaningless gestures.[165]

Additionally, even when European Allies have agreed to procure critical capabilities, there have been instances in which these proved to be hollow pledges. For instance, the United Kingdom offered Sea Harriers to provide fighter Combat Air Patrol (CAP) for fleet defense. However, based on the number of Harriers and pilots available (taking into account rotation and sustainment), the United Kingdom would not be able to provide this protection for a year as originally pledged, but only for six months. Moreover, the British government subsequently decided to phase out its Sea-Harrier fleet without an adequate replacement. The result is that British aircraft carriers will be dependent on the US fleet for protection from 2006 through 2012.[166] Sir Timothy Garden observes that this European commitment to European defense capabilities is not an isolated event but pervasive throughout Europe:

The story is repeated throughout Europe. Today Portugal agonises about its order for just three A400M transport aircraft, and is reported as taking out a bank loan to pay her troops. Individual nations are barely managing to hold the line on their defence capabilities, let alone provide for key enabling requirements for EU forces.[167]

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[165] Iain Duncan Smith, "European Common Foreign, Security and Defense Policies – Implications for the United States and the Atlantic Alliance."

[166] The United Kingdom has two types of Harriers with two services. The Fighter/Attack (F/A) – 2 model Sea Harriers are with the Royal Navy and, as their name and service imply, are predominantly used for fleet defense in the air-to-air mode. The other type is the Ground Reconnaissance (GR—7) model, which is with the Royal Air Force. These types of Harriers are capable of shipboard deployments. However, they are predominantly used for multi-purpose ground-based roles such as offensive air support for ground forces. This is why Timothy Garden, a former strategic bomber pilot for the RAF, forecasts a gap in shipboard defense and shipboard expeditionary capabilities with the Sea Harrier retirement.

[167] Sir Timothy Garden, "Making European Defence Work."

Accountability and Enforcement

In March 2000, Franklin D. Kramer, then Assistant Secretary of Defense for International Security Affairs, highlighted an important reason why the DCI was failing to achieve desired results in testimony to the Senate Foreign Relations Committee. The reason was accountability: "While DCI goals have been incorporated into the alliance's defense-planning process, the allies set no deadline for their achievement."[168]   It appears that no accountability or enforcement mechanism was in place to apply pressure on the Allies to address key matters of defense spending and procurement.   Without scheduled implementation, milestones, hard commitments and assignments to designated states, little progress in addressing core DCI gaps could have been expected.

Moreover, since there was no real leader to implement the DCI, it would be hard to envision a powerless High-Level Steering Group developing and enforcing a plan to address the 58 deficient areas highlighted at the 1999 Washington Summit. With no coordinated effort among the NATO states, it should be no surprise that there were, and continues to be, large core expeditionary capability deficiencies within the Alliance.[169]

Technology Transfers and Defense Industry Cooperation

One of the hindrances in meeting the goals of the DCI was technology transfer and export licensing.   This has been an ongoing and "fundamental" difficulty that the Allies have yet to overcome.[170] Member states are unwilling to transfer technologies when they judge that it may diminish their national security.   Robert Bell highlights the enduring dilemma facing the Alliance in this regard.   In his view, a key factor is the United States willingness to transfer

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[168] Franklin D. Kramer, Assistant Secretary of Defense for International Security Affairs, prepared statement before the Senate Foreign Relations Committee, 9 March 2000, quoted in, DoD Reports on Progress of NATO's Defence Capabilities Initiative, "Inside the Pentagon," 16 March 2000.

[169] Sir Timothy Garden. "European Defence: Time to Deliver," *The World Today*. November 2000. www.tgarden.co.uk/writings/articles/2000/001001WorldToday.html. Accessed 6 November 2003.

[170] Interview with Robert Gregory Bell, NATO HQ, 25 June 2003.

technology. Bell's reasoning makes sense, because the United States dominance in capabilities effectively obliges Allies to adapt or be left out.

> It comes down really literally to a question of black boxes and whether the Europeans are willing to buy American equipment that's quite capable, in which there are black boxes into which they cannot look. Or alternatively, whether the United States is willing to open up the secrets of that technology at a very high level and bring the Allies along as partners from the beginning. Now, since neither of those approaches has worked particularly well over the years --Europeans increasingly are saying no to a black box approach, the United States, particularly after September 11th, is more attuned to protecting the technology issues -- the question becomes how much of the technology can be brought forward here in Europe, home-grown, in terms of a European solution[171]

Defense Industry Cooperation. Diego A. Ruiz Palmer states that the United States has a role to play in increasing interoperability, by influencing the conditions of trade to promote a balanced relationship between the US defense industry and the EU defense industry.[172] In May 2000, Lord Robertson argued that governments needed to facilitate improved transatlantic defense industry relations for practical reasons – economies of scale, interoperability, and technology - and for political reasons (that is, to show that the two sides of the Atlantic are true security partners).

> [D]efence industrial cooperation is a key part of the evolution of Euro-Atlantic security…[W]e need competition, but we must guard against monopoly as a result of successive competitions. The size of the market and the investment in R + D for new technologies argue for transatlantic co-operation. The creation of national "fortresses" when it comes to procurement will not serve to improve optimally the capabilities of our forces.[173]

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[171] Ibid.

[172] Diego A. Ruiz Palmer, "Steps for Achieving Transatlantic Convergence."

[173] NATO Secretary General Lord Robertson, "Europe's new defence era," Speech given to the 5th Forum Europe Defence Industries Conference. Brussels. 23 May 2000. www.nato.int/docu/speech/2000/s000523a.htm. Accessed 7 November 2003.

Lord Robertson revealed that member states need to coordinate their defense industries so that capabilities can be improved. However, even with increased transatlantic attention to the need to improve the defense industry link, Tamar Gabelnick and Rachel Stohl argue that what drives governments to "fortresses" is not necessarily the desire to keep jobs local and other economic reasons, but also national security reasons. Their report, entitled "Challenging Conventional Wisdom on Arms Exports," reveals examples of US Allies or people in Allied countries transferring US technology to third parties. In one example, individuals from a London-based firm attempted to sell US fighter aircraft components to Iran. In another, 58 US-built M-113 armored personnel carriers, sold to the Canadian Armed Forces, were exported to Europe and then transferred to Iran without US State Department approval. The FAS report highlights the paradoxical inverse relationship of relaxing export controls and protecting national security.

> Even if arms exports do achieve some national security objectives in the near term, they can simultaneously decrease US security by contributing to the proliferation of US weapons and technology. This contradiction holds true for a wide variety of clients and the entire spectrum of weapons, from close European allies (because of the risk of diversion) to new allies in the war on terrorism; and from high-tech goods (both military and dual-use) to low-tech arms or spare parts. [174]

The report concludes with a warning from US Senator Tim Johnson (D-South Dakota): "The lesson should be clear -- to the extent that the US arms

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[174] Tamar Gabelnick and Rachel Stohl, "Challenging Conventional Wisdom on Arms Exports," *FAS Public Interest Report: The Journal of the Federation of American Scientists,* Summer 2003, vol. 56, no. 2., www.fas.org/faspir/2003/v56n2/book.htm. Accessed 6 November 2003. The original full-version article is titled, "Challenging Conventional Wisdom: Debunking the Myths and Exposing the Risks of Arms Export Reform," and may be found at www.fas.org/asmp/library/publications/Challengingintro.pdf. Accessed 23 October 2003.

the world, it undertakes a risk that those weapons could be used against our own citizens."[175]

Some experts see a way to resolve national security and economic concerns with regard to technology transfers and defense industry cooperation, is to set NATO standards in interoperability and equipment, in order to allow defense industry on both sides of the Atlantic to build the capabilities required. Robert Bell supports this type of "co-development" arrangement. He states that the European Allies have relevant technological capabilities, but noted that there are still significant obstacles to overcome in resolving the on-going dilemma of technology transfers, as previously noted. He also suggested that the ACT may help in breaking down some of the barriers to transatlantic technology transfers. He observed that, because the NATO is taking on new missions and is "back in business," with a new spirit of cooperation within the Alliance, the Allies may be able to make progress with technology transfers and defense industry cooperation.[176] Despite Bell's optimism, this "fortress" dilemma drives right to the heart of national security and domestic politics and could cause divisions within NATO. During the Cold War era, power projection capabilities were not as vital as they have become today, because the Allies concentrated on a static defensive posture in Europe. Now, however, with the new requirement for power projection by "coalitions of the willing," this dilemma may be compounded.

Multinational Agreements
The DCI briefly mentioned sharing burdens through multinational agreements as a way to narrow the capabilities gap.

The Alliance's ability to accomplish the full range of its missions will rely increasingly on multinational forces, complementing national

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[175] Ibid.

[176] Ibid.

commitments to NATO for the Allies concerned. … Multinational forces, particularly those capable of deploying rapidly for collective defence or for non-Article 5 crisis response operations, reinforce solidarity. They can also provide a way of deploying more capable formations than might be available purely nationally, thus helping to make more efficient use of scarce defence resources.[177]

The idea of multinational forces is that more than one country contributes to fielding a force and sharing a burden. Multinational forces may build unity for the member states involved and promote interoperability, but the efficiency of such an endeavor depends on several factors: only coupled with significant military reform could economies of scale be realized. The International Security Information Service (ISIS) praised certain bilateral and multilateral arrangements as "helpful" (for example, the UK/Netherlands Amphibious Force), but concluded that "There is a danger with some other initiatives, however, that they drain resources without having any tangible benefit for interoperability."[178]

Sir Timothy Garden has pointed out that Europe has no shortage of multinational forces, but because command structures and other arrangements are duplicated among the member states, these are less efficient and more costly to run than comparable US arrangements and are not an answer to addressing the DCI deficiencies. He suggested a solution whereby member states could address the capabilities gap of the European member nations by pooling more assets.[179] Diego Ruiz Palmer has similarly argued that NATO has "too many critical assets dispersed among too many nations… [A]irlift and air-to-air refueling resources should be pooled."[180] The European Allies operate at a

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[177] NATO, "The Alliance's Strategic Concept," NAC-S(99)65, 24 April 1999, par. 61. www.nato.int/docu/pr/1999/p99-065e.htm. Accessed 7 November 2003.

[178] ISIS, "Achieving the Helsinki Headline Goals."

[179] Sir Timothy Garden, "European Defence: Time to Deliver."

[180] Diego A. Ruiz Palmer, "Steps for Achieving Transatlantic Convergence."

disadvantage in this regard as compared with the United States because national sovereignty issues complicate pooling assets.

NATO Pooled Assets and Common Funding

Although the DCI called on Allies to investigate pooling assets as a cost-effective way to share burdens and meet the DCI objectives, the NATO AWACS aircraft remain the only pooled power projection asset of the organization. NATO's AWACs aircraft fall under NATO's military budget.[181] This institutional support is discussed in the NATO Handbook:

> With few exceptions, NATO funding does not therefore cover the procurement of military forces or of physical military assets such as ships, submarines, aircraft, tanks, artillery or weapon systems. Military manpower and materiel are assigned to the Alliance by member countries, which remain financially responsible for their provision. An important exception is the NATO Airborne Early Warning and Control Force, a fleet of radar-bearing aircraft jointly procured, owned, maintained and operated by member countries and placed under the operational command and control of a NATO Force Commander responsible to the NATO Strategic Commanders.[182]

The excerpt then describes the logic of procuring commonly funded assets.

> NATO also finances investments directed towards collective requirements, such as air defence, command and control systems or Alliance-wide communications systems which cannot be designated as being within the responsibility of any single nation to provide. [183]

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[181] Sir Timothy Garden, "European Defence: Time to Deliver."

[182]NATO Publications, "The Principles of Common Funding," 19 October 2002. www.nato.int/docu/handbook/2001/hb0901.htm. Accessed 7 November 2003.

[183] Ibid.

It appears that the NATO Allies lack a consensus to place more assets under NATO ownership, or to pursue additional commonly funded programs. There was an attempt to provide NATO an airborne ground surveillance capability and a multinational pooled jamming capability, but these efforts have stalled.[184] If NATO has had limited success in conducting this policy for its own collective defense needs, it could be expected to be much more difficult to embark on a program of commonly funded or pooled power projection assets for distant interventions, especially since the framework for such a power projection operation would probably be a "coalition of the willing." Coupled with a lack of strategic direction and the absence of assignments of procurement responsibilities or milestones, this condition contributed to the DCI regime's disappointing results.

National Interest

National defense programs continue to drive the choices of NATO member states.[185] National defense programs lead to unnecessary military duplication and cause NATO members to contribute less than they could from their defense budgets to NATO, but national defense programs are also a reality steeped in "sovereignty, history and pride."[186]   There remain wide disparities among member states' defense budgets and the priorities assigned to their militaries. Some member states, such as Greece and Turkey, maintain large standing armies as a proportion of their national populations.[187] Some of the European Allies spend as much as 50% of the defense budgets to pay for their personnel.[188] Several European government armies with high percentage of

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[184] Diego A. Ruiz Palmer, "Steps for Achieving Transatlantic Convergence."

[185] Keith B. Richburg, "Allies Alter Tune on Defense."

[186] Ibid.

[187] The House of Commons Defence Committee, *The Future of NATO* - Seventh Report of Session 2001-02, pp. 54-6.

[188] Frans Osinga, "Whither European Defence? The Lost Momentum of ESDP Post-'911'."

conscripts and are having difficulty moving toward an all-volunteer force. Considering EU limits on deficit spending and general welfare-state costs, European politicians have many preoccupations other than defense spending. Some experts estimated that it would require approximately 3 billion dollars annually to address some of the critical areas in the DCI, but even this modest increase did not occur.[189] Because European Allies do not feel as threatened as Americans by the new threats of terrorism and WMD proliferation, they have less political will to increase funding or make the hard reforms that would allow defense resources to be applied toward the PCC.

US Engagement

US Army General Wesley Clark (ret.), NATO's Supreme Allied Commander Europe during the Kosovo crisis, effectively articulated an important aspect of the US-European relationship: "We on the one hand tell them we want them to do more. And on the other hand we say, 'But we want to be in charge.'"[190] However, as was clear from the financial data reported to NATO, in April 2001, on the two-year anniversary of the DCI, Europeans were not spending more than in April 1999 on the critical areas of warfighting.[191] In taking note of this fact, General Ralston argued that the lack of progress with the DCI was not just one for the Europeans to overcome on their own, but that it would take American leadership to make it succeed.[192]   A British House of Commons report also

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[189] Ibid. Osinga proposed that the Europeans could narrow the capabilities gap – to where the Europeans would possess an autonomous expeditionary capabilitiy - by increasing defense spending $3 billion US annually or $42 billion total. The areas of improvement have great overlap with the DCI: Stratetgic transport, aerial refueling, suppression of enemy air defense, electronic warfare, air-to-ground surveillance, intelligence, strategic surveillance and combat search and rescue.

[190] Wesley Clark quoted in Paul Mann, "Technology Gap Called NATO's Salient Issue," *Aviation Week.* 23 March 2001. www.aviationnow.com/content/publication/awst/20010326/techgap.htm.   Accessed 23 October 2002.

[191] NATO, "Financial and Economic Data Relating to NATO Defence," Press Release M-DPC-2 (2002) 139, 20 December 2002, Tables 1-6. www.nato.int/docu/pr/2002/p02-139e.htm. Accessed 9 November 2003.

[192] General Joseph W. Ralston, US Air Force, Commander in Chief US European Command, statement before the House Armed Services, 29 March 2001.

stressed the importance of American engagement in improving NATO capabilities in its conclusions regarding NATO.

> US involvement is essential to NATO's continuing existence. The US must make clear what it expects of European Allies and must be prepared to engage properly with NATO as an Alliance. There is considerable uncertainty, if not suspicion, among some European members as to the true nature of the US's commitment.[193]

The PCC is intended to overcome the shortcomings of the DCI in conjunction with other initiatives taken by the Allies at the November 2002 Prague Summit: the initiation of the NATO Response Force, the streamlining of the command structure, and the establishment of the Allied Command Transformation. NATO indicated that individual member states have made commitments to acquire capabilities to fulfill the PCC. The Allies intend to employ and embrace multinational agreements, role specialization and reprioritization in order to accomplish this enormous task. Some observers held that the Prague Summit gave NATO a much sharper focus and that these major initiatives would soon begin to produce tangible results as the Alliance continued to pursue expeditionary power projection capabilities. Although the PCC was initiated only one year ago, it is critical to analyze its progress to date and assess its prospects for the future in order to determine whether Alliance aspirations to reduce the capabilities gap are likely to be achieved. This analysis is vital in order to determine what changes in course may be necessary for NATO to attain the goal which has eluded the European Allies since NATO undertook major role changes in response to post-Cold War challenges.

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[193] House of Commons Defence Committee, *The Future of NATO* - Seventh Report of Session 2001-02, par.123.

B.   ANALYSIS OF THE 2002 PRAGUE SUMMIT INITIATIVES

Allied Command Transformation

The way NATO has realigned its command structure appears to reflect the way in which the United States has used its national command structure to conduct expeditionary warfare and to promote force transformation. The newly established Allied Command Transformation, with its commander dual-hatted as commander of the US Joint Forces Command, establishes a vital link to the United States transformation process, which has achieved impressive results in transforming the American military, culminating recently with Operation Enduring Freedom and Operation Iraqi Freedom. One of those links will be that the "SACT will chair the BiSC Capabilities Board"[194] -- that is, the Supreme Allied Commander for Transformation will have a leadership role in the board responsible for capabilities in both of the Alliance's Strategic Commands. This reflects the unified command type of acquisition process that NATO aspires to achieve in order to be better equipped to "validate and prioritise the identified required capabilities."[195]

These changes reflect a move away from the already mentioned inefficiencies of the DCI regime's High Level Steering Group (HLSG). The HLSG proved unable to provide strategic direction and enforcement, because of the fact that NATO is an intergovernmental organization with no directive or coercive powers over its member nations.   The ACT-USJFCOM link, via the SACT command and the arrangements with the Military Committee, seems to address some of the HLSG's inherent problems. Though it is too early to evaluate it conclusively at this point, the effectiveness of the ACT-USJFCOM link will be an important indicator to monitor the progress of NATO Allies in establishing

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[194] Allied Command Transformation, Requirements & Capability Planning and Implementation. 3 July 2003. www.act.nato.int/transformation/requirements%20and%20capabilities/req%20index.htm. Accessed 9 November 2003.

[195] Ibid.

improved interoperability and in acquiring power-projection capabilities compatible with those of the United States.

The Planning Process

The Defense Planning Committee in June 2003 recommended means to overcome problems in acquiring capabilities.

> [W]e tasked the Defence Review Committee, taking account of the advice of NATO's Military Authorities, to review and further adapt where appropriate the process so that it is better able to assist the transformation of our military capabilities. It must be flexible, responsive and more focussed on capabilities for the full range of Alliance missions. It should take into account national planning cycles and also consider the evolving NATO-EU relationship. The Allied Command Transformation will play a major role in this review and the subsequent work to develop capabilities. We look forward to reviewing progress in this work at our meeting in December 2003.[196]

The statements from the NAC and the DPC regarding progress in obtaining the capabilities outlined in the PCC -- even with the defense planning process -- are reminiscent of similar statements in the past with regard to the DCI, when its progress began to stall. However, a key difference with the PCC resides in the decisions made in June 2003: the ACT and the Military Committee will have a more active role in the capability process, and this should help give NATO a strategic direction in acquiring the capabilities it needs.

The Military Committee

With regard to the DCI, the Military Committee was considered a referee in the process of gaining improved capabilities, but one with comparatively little

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[196] NATO Press Releases, Defence Planning Committee Final Communiqué, Press Release (2000)64, 12 June 2003, par. 9.

power to influence the overall goals of the Alliance. However, with the enhanced role of the Military Committee, the interface of NATO's political and military leadership, and the distinct authority assigned by the North Atlantic Council to the functional and operational strategic commands, the Military Committee's influence seems to have been bolstered. In view of ACT's link to USJFCOM, the Military Committee appears to be in a better position to influence NATO's acquisition of military capabilities in accordance with NATO's political aspirations. Whether these links will make progress more likely in acquiring capabilities remains to be seen, however.

WMD Initiatives

A June 2003 status report on the WMD initiatives, suggested that progress to date has been limited. The report was vague as to what NATO envisions as a timeline for tangible milestones, and as to what it considers success for the WMD initiatives.

> Work on the five nuclear, biological and chemical weapons defence initiatives agreed at Prague has been very promising. Prototypes of a NATO Event Response Team and an Alliance Deployable NBC Laboratory are undergoing assessment during demanding field exercises. The other three initiatives – a NATO Biological and Chemical Defence Stockpile, a Disease Surveillance system, and a Centre of Excellence for NBC Weapons Defence – are well advanced. We welcomed the recent Council decision to task the NATO Military Authorities to develop a concept for a NATO multinational CBRN defence battalion capability and to pursue work on other NBC defence capabilities. We are confident that this decision, taken forward in a consistent and complementary way with other related capability improvements, will contribute to a further strengthening of our NBC response capabilities.[197]

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[197] North Atlantic Council, "Statement on Capabilities," Press Release (2003)66, 12 June 2003, par.6.

This program reflects the aspiration to protect NATO forces, populations, and territory against all WMD hazards and sees the development of multinational niche capabilities and coordination with other agencies as vital to meet this objective. Despite the optimistic tone of the June 2003 statement, NATO's achievements to date in nuclear, biological, and chemical defense seem to be in the initial concept stage and proceeding unevenly, among other broad initiatives. Although NATO has seen the threat of WMD since September 2001 as requiring a robust and comprehensive defense approach -- covering the full political-military spectrum -- the progress in this area has been mixed at best. The capability to protect NATO forces as well as Alliance territory against WMD threats appears many years away.

NATO-EU Relations

NATO and the EU have established a new link to help facilitate the acquisition of capabilities without unnecessary duplication: the NATO-EU Capability Group. NATO-EU cooperation regarding the European Union's European Capabilities Action Plan (ECAP) is seen as a means to enhance capabilities based on "reciprocity, while respecting the autonomy of both organizations and in a spirit of openness."[198] This new cooperative program, has, to be sure, not yet achieved any progress in obtaining additional NATO or EU capabilities. Significant institutional and conceptual progress has been made since the Franco-British summit at St. Malo in December 1998, notably the approval of the "Berlin Plus" arrangement at NATO's Washington Summit in April 1999. However, the questions raised in December 1998 by Madeleine Albright's three D's -- the need to avoid wasteful and divisive duplication, discrimination against non-EU NATO Allies, and US-European decoupling -- have not been resolved and remain a salient issue. Moreover, the dust has yet to settle over

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[198] Ibid., par.5.

the differences within the Alliance over the US-led intervention in Iraq in March-April 2003. This sparked a renewed interest among some European Allies (notably, Belgium, France, Germany, and Luxembourg) in pursuing new efforts in an exclusive EU European Security and Defense Policy. The transatlantic relationship will, nonetheless, be vital to progress in developing NATO-EU joint capabilities.

NATO Common Funding

The NAC also addressed placing a higher priority on NATO common funding. The NAC in January 2003 directed the Military Committee "to lead a prioritisation of requirements in accordance with Alliance strategic objectives, and to report the results to Council."[199] Though it is too early at this writing to observe tangible results, this too seems to be a step in the right direction, as a 2001-2002 British House of Commons Study showed that part of the explanation for the failure of the DCI was that money was not spent on the right things.[200] Although the NAC's effort may have great influence in efficiently obtaining the right capabilities by strategically prioritizing them, the key will be getting member states to contribute funding. Robert Bell has underlined this ongoing and fundamental dilemma facing the Alliance: that is, even with all the changes which are intended to make NATO more efficient, increased spending will be required to improve capabilities.

> Well first and foremost I think in many... certainly not all, but many cases, Allies need to find a way to allocate more resources to defence. There's only so far you can go in pooling efforts or being smarter in how you spend money if the total amount being spent is still inadequate to the task. In some cases we have allies who spend quite admirably on defence and they can probably do a better job of reprioritizing how they spend the money. But the

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[199] Ibid.

[200] House of Commons Defence Committee, *The Future of NATO -* Seventh Report of Session 2001-02, HC 914 (London: The Stationery Office Limited, 31 July 2002), par.138.

basic blueprints or road maps that have been laid down in response to the Prague challenge, particularly in terms of the way ahead for multinational capability improvement efforts, are quite sound, and I'm confident that if the nations can match the level of ambition that they themselves have now set out with the necessary resources, we can meet our requirements.[201]

As far as how the Allies are willing to spend their money, Lord Robertson's statements should be compared. Although observers identified problems with the European Allies' armies being composed to an excessive degree of conscription forces during the 1990s, adequate reform continues to be postponed by some of the European member governments. In January 2000, Lord Robertson argued that the European Balkan commitment demonstrates that the European Allies' armed forces remain rooted in conscription and static defense concepts and continue to prevent the European Allies from contributing their fair share to the Atlantic Alliance.

The Kosovo air campaign demonstrated just how dependent the European Allies had become on U.S. military capabilities. From precision-guided weapons and all-weather aircraft to ground troops that can get to the crisis quickly and then stay there with adequate logistical support, the European Allies did not have enough of the right stuff. On paper, Europe has 2 million men and women under arms more than the United States. But despite those 2 million soldiers, it was a struggle to come up with 40,000 troops to deploy as peacekeepers in the Balkans.[202]

In October 2003, following a terrorist scenario exercise called Dynamic Response, in Colorado Springs, Lord Robertson continued his criticism of how the European Allies align their militaries and spend their resources. "The blunt

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[201] Video Interview with Robert Gregory Bell, NATO HQ, 25 June 2003.

[202] Lord Robertson, "Rebalancing NATO for a Strong Future." Remarks at the Defense Week Conference, Brussels, Belgium, 31 January 2000. Available at www.nato.int/docu/speech/2000/s000131a.htm. Accessed 6 November 2003.

message from Colorado is going to be this: We [the European member states] need real, deployable soldiers, not paper armies. … We've got plenty of people in uniform."[203]

> Out of 1.4 m [million] soldiers under arms, the 18 non-US Allies have around 55,000 deployed on multinational operations in the Balkans, Afghanistan and elsewhere, yet they feel overstretched. If operations such as ISAF [International Security Assistance Force] in Afghanistan are to succeed, we must generate more usable soldiers and have the political will to deploy more of them on multinational operations.[204]

Lord Robertson concluded that, "Now so long as you have so many unusable soldiers, then taxpayers are being ripped off."[205]   Robertson's observations demonstrate that there remain significant obstacles to the European member states spending sufficient resources on the right capabilities.

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[203] "NATO Needs Rapid-Repsonse Force," CNN, 8 October 2003. www.cnn.com/2003/WORLD/europe/10/08/nato.defense/. Accessed 25 October 2003.

[204] Lord Robertson, Introductory Statement at the Press Conference with Defense Secretary Rumsfeld following the Study-seminar, Colorado Springs, 8 October 2003. Available at www.nato.int/docu/speech/2003/s031008a.htm. Accessed 6 November 2003.

[205] Press Conference Questions and Answers by NATO Secretary General Lord Robertson and US Secretary of Defense Donald Rumsfeld following the Study-seminar, Colorado Springs, 8 October 2003. Available at www.nato.int/docu/speech/2003/s031008c.htm. Accessed 6 November 2003.

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V.   CONCLUSION

The November 2002 Prague Capabilities Commitment (PCC) had its immediate origin in the stalled progress of the April 1999 Defense Capabilities Initiative (DCI) and in the attacks on the Pentagon and the World Trade Center on 11 September 2001. The DCI was one of a long series of Alliance attempts to address transatlantic military capability disparities. However, the true catalyst that signified the need for new capabilities had appeared a decade earlier with the fall of the Berlin Wall and the end of the Cold War.   Although long recognized as a pertinent issue, the capabilities gap was not seen then or now as equally crucial by all member states. At the end of the Cold War, the United States already had robust power projection capabilities and would continue to improve these capabilities in line with its future vision of threats. Most European Allies did not have expeditionary power projection capabilities during the Cold War, or like France and the United Kingdom, had only limited autonomous military power projection capabilities. European military capabilities, largely a Cold War product, were static and based on large conscription armies and "legacy" hardware designed for territorial defense. Recognition of European military deficiencies would accumulate through the 1990s and beyond in response to the threats that faced the Alliance.

Over the course of the 1990s NATO rhetoric -- not unsurprisingly -- exceeded the Alliance's capability to meet its aspirations to deal with an increasingly unstable world.   NATO efforts to address new challenges and threats began formally with the Strategic Concept approved at the Rome Summit in 1991. Further summits repeated the conviction that the NATO Allies should acquire expeditionary capabilities. However, NATO efforts to procure capabilities to accomplish post-Cold War tasks achieved lackluster results.   NATO's involvement in Balkan operations, beginning in 1992, demonstrated that Allied

capabilities, especially those for expeditionary power projection, were deficient in most of the member states. However, awareness of NATO's poor ability to match rhetoric with capabilities culminated during Operation Allied Force just as its fiftieth anniversary summit was being held in Washington in April 1999. This helped strengthen support for launching the Defense Capabilities Initiative.

Indeed, at the 1999 Washington Summit the Allies attempted to deal with the accumulation of member state deficiencies. The DCI sought to address all deficiencies by covering some 58 areas in broad expeditionary categories of mobility and deployability, sustainability, effective engagement, survivability, and communications. Following the Washington Summit, NATO indicated that member states had made firm pledges to address capability shortfalls, via Force Goals and the Force Planning Process, and that, with the guidance by the High-Level Steering Group (HLSG), the Allies were making progress.

The DCI, however, produced disappointing results following the fanfare of its inception until its de facto demise in the fall of 2001. Most European member states overall had not increased resources to attain the capability aspirations of the DCI, nor were resources being spent on the necessary capabilities. Even following the terrorist attacks against the United States in September 2001, when some observers imagined that member states might be galvanized to acquire capabilities to enable NATO to enhance its political-military cohesiveness and power, most Allies failed to improve their aggregate expeditionary military capabilities. However, the United States continued to enhance its expeditionary capabilities via substantially increased military spending in conjunction with its Revolution in Military Affairs transformation process.

Why the DCI accomplished little can be attributed to the way NATO is organized, and how the DCI was formulated and conducted. In terms of NATO's organization, there was (and is) no enforcing mechanism to ensure the achievement of plans such as those in the DCI. In a consensus organization, national interests continue to drive state decisions. This helps to explain why,

although European member states spent 60% of the amount spent by the United States in 2000, European Allies only procured about 10% of the capabilities of the United States.[206] Additionally, incentives to share technology were constrained by the imperatives of national security, even in an organization such as NATO. Moreover, even when European Allies agreed to procure capabilities, such as the A400M strategic transport aircraft, these capabilities would not be ready for many years and might be inferior to products currently available from US manufacturers. In other words, political decisions driven by domestic pressures to protect jobs and minimize procurement from abroad constituted enormous barriers for individual member states to make progress on the DCI.

Additionally, how the DCI was formulated led to its disappointing results. The DCI lacked a coherent plan to address the Alliance shortfalls. Member states were asked to achieve all of the expeditionary capability aspirations outlined at the 1999 Washington Summit, without prioritizing goals to allow member states to collectively achieve complementary capabilities. Moreover, there were neither milestones nor deadlines set in the DCI to place pressure on individual member states to obtain any of the capabilities outlined at the 1999 Washington Summit. Lastly, even with the stated mandate of the HLSG, the DCI implementation lacked strategic direction. Without scheduled implementation, milestones, and firm commitments by specific member states, little progress in meeting core DCI goals could have been expected, and the results proved the accuracy of this assessment. The pledges to procure more critical capabilities under the DCI proved to be hollow, in that the actual achievements were uneven at best.

The terrorist attacks of September 2001 signified the biggest watershed event to face the Alliance since the end of the Cold War. Whereas the fall of the Berlin Wall in 1989 signaled the movement away from the bipolar world into a

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[206] François Heisbourg, "Emerging European Power Projection Capabilities," Paper presented at the Joint Rand and GCSP Workshop, NATO's New Strategic Concept and Peripheral Contingencies: The Middle East, Geneva, July 15-16, 1999.

new era with new threats that could face the Alliance, the events in the Balkans during the 1990s seemed to bear this out. However, if there was any question about what new threats faced the Alliance, the attacks on the Pentagon and the World Trade Center and subsequent actions during Operation Enduring Freedom confirmed loudly and succinctly that the Allies were indeed well behind the United States in acquiring expeditionary power projection capabilities to deal with these threats. Recognition of the DCI's shortcomings coupled with the operations following the September 2001 terrorist attacks led directly to the decisions at the 2002 Prague Summit. At Prague, the Alliance attempted to deal both with the failure of the DCI and the threat posed by international terrorism.

At the Prague Summit, the North Atlantic Council stated that NATO members would address capability shortfalls through various programs, including the Prague Capabilities Commitment (PCC), the NATO Response Force (NRF), and the streamlining and reform of NATO's military command structure. All three of these activities are considered vital and complementary elements of NATO's transformation process. NATO also endorsed multinational agreements, role specialization and reprioritization as key means to better use member states' resources to acquire the capabilities outlined at the 2002 Prague Summit. However, NATO recognized and stated that even with more efficient efforts to acquire capabilities, in many cases advancing on the capabilities front would require member states to commit more resources.

Although it is too early at the current juncture (November 2003) to evaluate member states' defense budgets and military acquisitions, the Prague Summit initiatives seem to have encouraged progress in several areas that may translate into improved capabilities. In June 2003, NATO streamlined its military command structure and established separate operational and transformation commands (the latter tied directly to the US Joint Forces Command). In August 2003, utilizing the Combined Joint Task Force (CJTF) concept and new command relationships, the Alliance took over the International Security Assistance Force

(ISAF) mission in Afghanistan, and has in principle accepted a broadening of the ISAF mandate and responsibility for the future success of Afghanistan.[207] Additionally, NATO made progress on establishing a new CJFT-capable fighting force -- the NRF -- that is expected to serve not only as an expeditionary force able to meet the threats of the post-Cold War era, but also as a mechanism to assist member states in transforming their armed forces and acquiring the capabilities envisaged at the Prague Summit.   NATO Secretary General Lord Robertson forecast an initial operational capability of the NRF as early as the autumn of 2003.[208] On 15 October 2003, General James L. Jones stood up the nascent NATO Response Force with General Sir Jack Deverell, Commander, Allied Forces North, as the NATO Response Force's first commander.   Though full operational capability is not slated until 2006, General Deverell's NRF "prototype forces" will be "capable of executing a range of missions such as non-combatant evacuation operations and support for counter-terrorism," and used for test and development for the future force.[209]   General Jones commented, "For the first time in its history, the Alliance will have a joint (multi-national) combined air, land, sea and special operations force under a single commander, maintained as a standing rotational force."[210]

With regard to acquiring specific capabilities in the PCC (including those inherited from the DCI), Ambassador Marc Grossman testified in April 2003 that individual member states were taking charge of the procurement of key enabling capabilities, and utilizing the concepts of multinational agreements, role

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[207] UN Press release, "Security Council Seeks Expansion of Role of International Effort in Afghanistan, to Extend Beyond Kabul," SC/7894, 13 October 2003.

[208] NATO Press Release, Statement on Capabilities issued by the North Atlantic Council, Press Release (2003)66, 12 June 2003, par2. www.nato.int/docu/pr/2003/p03-066e.htm. Accessed 6 November 2003.

[209] "NATO launches Response Force," Supreme Headquarters Allied Powers Europe, 15 October 2003, www.nato.int/shape/news/2003/10/i031015.htm. Accessed 6 November 2003.

[210] Ibid.

specialization and reprioritization. For instance, Germany is now leading a 10-nation consortium on airlift, while Norway is leading a consortium on sealift.[211]

In late 2003, NATO stated that real progress is being made on the capabilities front. However, in late 2003, NATO also began publishing statements similar to those that preceded the stalled progress of the DCI during 1999-2001.

> But we are conscious too that much remains to be done. It is clear that additional energy and, in some cases, subject to affordability, resources will be necessary if we are to provide all the defence capabilities we need. More focus will also be needed on the possibilities of multinational role sharing and role specialisation. We emphasise the importance of those capabilities that can improve the effectiveness and interoperability of our forces.[212]

Robert Bell, NATO's Assistant Secretary General for Defense Investment, took note of a key problem of the PCC that also plagued the DCI. "There's only so far you can go in pooling efforts or being smarter in how you spend money if the total amount being spent is still inadequate to the task."[213] However, Bell also stated that the "basic blueprints or road maps" in regard to the PCC have been laid out and are adequate to the task of improving Alliance capabilities.[214]

Robert Bell's seemingly mixed assessment of the PCC's prospects should be placed in the context of the profound changes in NATO's historical role.

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[211] Ambassador Marc Grossman testimony before the Senate Foreign Relations Committee, 8 April 2003, p. 12.

[212] NATO Press Release, Statement on Capabilities issued by the North Atlantic Council, Press Release (2003)66, 12 June 2003, par. 4. www.nato.int/docu/pr/2003/p03-066e.htm. Accessed 6 November 2003.

[213] Interview with Robert Gregory Bell, Assistant Secretary General for Defence Investment, NATO HQ, 25 June 2003. www.nato.int/docu/speech/2003/s030625b.htm. Accessed 7 November 2003.

[214] Ibid.

Decisions following the Prague Summit have demonstrated that NATO member states have made institutional changes not only to redefine the Alliance structure to better accomplish Article 5 and non-Article 5 tasks in the post-Cold War era, but also to acquire the capabilities necessary to project expeditionary power as an Alliance. Although the results on the capabilities front have been mixed and will likely continue to be so, especially in the short-term, the changes emanating from the Prague Summit probably constituted the most profound progress that a consensus organization could realistically hope to make to acquire new capabilities. As General James Jones, Supreme Allied Commander Operations, and Admiral Edmund Giambastiani, Supreme Allied Commander Transformation, both remarked, capabilities improvement is not just about military hardware.[215] The transformation of the Alliance itself will produce new institutional capabilities. Though it is still unclear whether the PCC will get the Allies to commit more resources, the PCC regime seems better organized -- thanks to the Alliance's streamlined command structure -- and better oriented via the NRF to use the concepts of multinational organizations, role specialization and reprioritization, and thereby exploit resources more efficiently, in order to acquire essential power projection expeditionary capabilities across the Alliance.

NATO's Capabilities and NATO's Future

Some observers have articulated mixed assessments of whether NATO will remain an effective political-military organization in the future, especially in light of the fact that many Allies interpret threats of the post-Cold War era differently. Some critics say that the realities of the post-Cold War era, coupled with "coalitions of the willing" and NATO's transatlantic capabilities gap, have caused the cohesiveness of the Alliance to break down, and have led to the de facto demise of NATO. Critics such as Charles Kupchan argue that the NATO

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[215] Note: For background, see Chapter IV of the thesis.

Response Force will not add up to much, and moreover, that NATO itself will "lose its relevance" and "move off to become more of a sideshow" within a decade or so.[216]   These critics may even feel bolstered in their views of NATO when a few European governments have to a limited extent taken action on establishing a European Union military force independent of NATO, in order to protect EU interests.[217]

However, the United States and the other Allies have continued to rely upon NATO. This was demonstrated during Operation Deliberate Force and Operation Allied Force. NATO remains in command of the ongoing peacekeeping operations in Bosnia and Kosovo, and in August 2003 took over command of the International Security Assistance Force in Afghanistan. Moreover, although the US-led military campaign in Iraq during March-April 2003 caused one of the biggest fissures in the Alliance in decades, subsequently many politicians on both sides of the Atlantic have renewed calls for NATO to have a more significant role in stabilizing Afghanistan and Iraq and moving these countries toward autonomy and democracy.   NATO has proved itself to be the most flexible multilateral vehicle to allow the Allies to act in their interests.

NATO member states will likely continue to see the usefulness of the Alliance, even as they apply it to new purposes.   Although it is likely that member states will continue to be called upon to spend more, amid accusations of free-riding, the Allies will probably continue to view NATO as the most effective military organization to deal with the threats facing them, and they will probably commit the resources necessary to maintain overall Alliance capabilities at a certain equilibrium. This will likely not only preserve the Alliance, but also its political-military power, even if the maximum "enforcement mechanism" to

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[216] Charles Kupchan's comments on NATO's future at *The Newshour with Jim Lehrer* titled, "Remaking NATO," 22 November 2002.   www.pbs.org/newshour/bb/international/july-dec02/nato_11-22.html. Accessed 6 November 2003.

[217] Breffni O'Rourke, "EU: Military Ambitions Still Muddled," Radio Free Europe/Radio Liberty, 22 May 2003. www.rferl.org/nca/features/2003/05/22052003162513.asp. Accessed 7 November 2003.

persuade Allies to acquire new capabilities will remain limited to peer pressure, in the form of pleading and cajoling.[218]

The perennial issue of spending adequate resources on the right capabilities will continue to be vital for the future of the Alliance. The Prague Capabilities Commitment and closely associated activities, including the NATO Response Force and the command structure reform, provide the guidelines and perhaps the mechanisms to facilitate the improvement of member states' capabilities. However, in the end, member states must commit additional resources to enable the Alliance to deal effectively with the threats of the future, from wherever they may come.

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[218] James Graff Brussels, with reporting by Jan Stojaspal, "What's NATO For?" 25 August 2003, *Time.* Available at www.time.com/time/europe/magazine/printout/0,13155,901021125-391501,00.html. Accessed 7 November 2003.

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